



OWEB Oregon Watershed Enhancement Board Meeting Agenda

Oregon Watershed Enhancement Board

January 27-28 2015

Tuesday, January 27, 2015

The Loft at the Red Building

20 Basin Street, Suite F

Astoria, OR 97103

Directions: <http://www.theredbuildingloft.com/>

Business Meeting – 8:00 a.m.

During the public comment periods (Agenda Items C and D) anyone wishing to speak to the Board on specific agenda items is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. ***The Board encourages persons to limit comments to three to five minutes.***

A. Board Member Comments

Board representatives from state and federal agencies will provide an update on issues related to the natural resource agency they represent. This is also an opportunity for public and tribal Board members to report on their recent activities and share information and comments on a variety of watershed enhancement and community conservation-related topics. *Information item.*

B. Review and Approval of Minutes

The minutes of the October 28-29, 2014 Board meeting in Grants Pass will be presented for approval. *Action item.*

C. Focused Investments – Presentation and Board Discussion

Meta Loftsgaarden, Executive Director, will provide an introduction about the Board's process to develop priorities for Focused Investment Partnerships (FIPs). The Board will hear initial public comment (at approximately 9:40 a.m.) about potential FIP priorities. Ms. Loftsgaarden and Renee Davis, Deputy Director, then will brief the Board about status of the priority-setting process to date, and the Board will discuss potential priorities. Finally, the Board will hear additional public comment (at approximately 3:45 p.m.) about potential FIP priorities. *Information item.*

D. Public Comment [approximately 4:45 p.m.]

This time is reserved for general public comment, as well as other matters before the Board.

Informal Reception – 5:00-6:00 p.m.

The public is invited to join the OWEB Board and staff at a reception sponsored by North Coast, Region 1 local partners.

Location: The Loft at the Red Building

Wednesday, January 28, 2015
Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Item M) anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. ***The Board encourages persons to limit comments to three to five minutes.***

E. Salmon River Estuary Presentation

Staff from the U.S. Forest Service will give a brief presentation to the Board about collaborative restoration in the Salmon River Estuary. *Information item.*

F. Effectiveness Monitoring Update and Funding Request

Greg Sieglitz, Monitoring and Reporting Program Manager, will request feedback from the Board about the Effectiveness Monitoring Program's recent work with partners on an outline for materials describing the Board's Special Investment Partnerships. The Board also will consider a funding request for volunteer water-quality monitoring equipment that is provided for use by local groups as part of the Oregon Department of Environmental Quality's volunteer water-quality monitoring program. *Action item.*

G. Conservation Reserve Enhancement Program Technical Assistance (CREP TA) Update and Award of Funding

Renee Davis, Deputy Director, and Juniper Davis, Partnerships Coordinator, will provide a brief update to the Board about the CREP TA program. Staff will request the Board consider awarding supplemental funding from Natural Resources Conservation Service in support of the CREP TA and delegating authority to the OWEB Executive Director for distribution of these funds. *Action item.*

H. Willamette Riparian Pilot Project -- Funding Request

Meta Loftsgaarden, Executive Director, will brief the Board about the newly developed voluntary riparian restoration work in the Willamette, and efforts to coordinate investments, other agency resources, local landowners and restoration practitioners. The Board will consider a funding request for this program from the Oregon Plan/Governor's Priorities line item in OWEB's 2013-2015 spending plan. *Action item.*

I. Healthy Rangelands Update

Meta Loftsgaarden, Executive Director, and Brett Brownscombe, Acting Deputy Director for Oregon Department of Fish and Wildlife, will provide an update about Oregon's Sage-grouse conservation efforts and recent progress under the Governor's initiative, for which the Board has provided funding. *Information item.*

J. Executive Director Update

Meta Loftsgaarden, Executive Director, will update the Board on agency business and late-breaking issues. *Information item.*

K. Biennial Report Update

Greg Sieglitz, Monitoring and Reporting Program Manager, will update the Board on the agency's completion of the 2013-2015 Biennial Report on the Oregon Plan for Salmon and Watersheds and provide the Board with the final report that was submitted to the Legislature and the Governor's Office. *Information item.*

L. Spending Plan Discussion

Meta Loftsgaarden, Executive Director, will lead a discussion with the Board about initial ideas and potential options for the 2015-2017 OWEB spending plan. *Information item.*

M. Public Comment [approximately 12:05 p.m.]

This time is reserved for general public comment, as well as other matters before the Board.

N. Other Business

Meeting Procedures

Generally, agenda items will be taken in the order shown. However, in certain circumstances, the Board may elect to take an item out of order. To accommodate the scheduling needs of interested parties and the public, the Board may also designate a specific time at which an item will be heard. Any such times are indicated on the agenda.

Please be aware that topics not listed on the agenda may be introduced during the Board Comment period, the Executive Director's Update, the Public Comment period, under Other Business or at other times during the meeting.

Oregon's Public Meetings Law requires disclosure that Board members may meet for meals on Monday, Tuesday, and Wednesday.

Public Testimony

The Board encourages public comment on any agenda item.

General public comment periods will be held on Tuesday, January 27 at 4:45 p.m. and Wednesday, January 28 at 12:05 p.m. for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to three to five minutes.***

Tour

The Board may tour local watershed restoration project sites. The public is invited to attend, however transportation may be limited to Board members and OWEB staff. If you wish to join the tour, be prepared to provide your own transportation.

Executive Session

The Board may also convene in a confidential executive session where, by law, only press members and OWEB staff may attend. Others will be asked to leave the room during these discussions, which usually deal with current or potential litigation. Before convening such a session, the presiding Board member will make a public announcement and explain necessary procedures.

Questions?

If you have any questions about this agenda or the Board's procedures, please call Brandi Elmer, OWEB Board Assistant, at 503-986-0181. If special physical, language or other accommodations are needed for this meeting, please advise Brandi Elmer (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

Oregon Watershed Enhancement Board Membership

Voting Members

Board of Agriculture member: **Doug Krahmer**
Environmental Quality Commission member: **Morgan Rider**
Fish and Wildlife Commission member: **Bob Webber**
Board of Forestry member: **Cindy Deacon Williams**
Water Resources Commission member: **John Roberts**
Public member (tribal): **Eric Quaempts, Board Co-Chair**
Public member: **Lisa Phipps**
Public member: **Will Neuhauser**
Public member: **Randy Labbe**
Public member: **Dan Thorndike, Board Co-Chair**
Public member: **Karl Wenner**

Non-voting Members

Representative of NMFS: **Kim Kratz**
Representative of Oregon State University Extension Service: **Stephen Brandt**
Representative of U.S. Forest Service: **Debbie Hollen**
Representative of U.S. BLM: **Mike Haske**
Representative of U.S. NRCS: **Ron Alvarado**
Representative of U.S. EPA: **Alan Henning**

Contact Information

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, Oregon 97301-1290
503-986-0178
Fax: 503-986-0199
www.oregon.gov/OWEB

OWEB Executive Director – Meta Loftsgaarden

meta.loftsgaarden@state.or.us

OWEB Assistant to Executive Director and Board – Brandi Elmer

brandi.elmer@state.or.us
503-986-0181

2014-2016 Board Meeting Schedule (Proposed)

2014	2015	2016
January 28-29 in Portland	January 27-28 in Astoria	January 26-27, location TBD
April 29-30 in Bandon	April 28-29 in Salem	April 26-27 location TBD
July 29-30 in The Dalles	July 28-29 in Prineville	July 26-27 location TBD
October 28-29 in Grants Pass	October 27-28 in John Day	

For online access to staff reports and other OWEB publications check our web site: www.oregon.gov/OWEB.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290
(503) 986-0178
FAX (503) 986-0199
www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item C: Focused Investment Partnership Priorities
January 27-28, 2015 OWEB Board Meeting**

I. Introduction

This staff report updates the Board on Focused Investment Partnership priority submissions and discussions with a variety of experts about identified priority theme areas. Staff will provide summaries of each theme area for Board discussion at the January meeting.

II. Background

In June of 2013, the OWEB Board approved its Long-Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

Though OWEB has participated in efforts that align with the qualities of 'focused investments' in the past, there has been no formal definition, process or solicitation approach for the program. In October of 2013, OWEB kicked off a nine-month process to develop a definition, criteria, solicitation approach, program design and process for the Focused Investment category of OWEB funding.

To assist with this effort, the agency has organized a set of external and internal (i.e., OWEB staff) work groups. In selecting the external work group, members were recruited from every region of the state, in addition to representatives from soil and water conservation districts (SWCDs), watershed councils, land trusts, Tribes and other non-profit organizations. The executive boards of the Oregon Association of Conservation Districts, Network of Oregon Watershed Councils and Coalition of Oregon Land Trusts also are represented. Beginning in late 2013, these individuals met together to provide input to the Board on the program's design and implementation.

In addition, between July and October 2014, the Board solicited input from a variety of stakeholders across Oregon to help the Board identify priorities of significance to the state for OWEB consideration. The information received forms the basis for the discussion that will occur at the January 2015 Board meeting.

III. Input Received

This work continues the Focused Investment Partnership Program plan. Input to this point has included:

- October 2013 – Began design process with work groups

- January 2014 Board Meeting – Board reviewed draft documents and solicited public comment; work group then continued design process
- March 2014 (all six regions) – OWEB staff held listening sessions in all regions of the state to receive input on the first draft of the solicitation process for Focused Investment Partnerships.
- April 29-30, 2014 (Bandon, OR) – OWEB Board received public comment on the draft solicitation process and other aspects of the Focused Investment Partnerships program as outlined above.
- July 29-30, 2014 (The Dalles, OR) – OWEB Board approved definition, criteria, solicitation approach, timeline and priority selection processes.
- July 31-October 15, 2014 – Board solicited input from stakeholders for priority areas
- Mid-October 2014-January 2015 – Staff convened experts in identified priorities to provide initial additional information for the Board’s consideration.

IV. Priority Setting Process

Following the July 2014 Board meeting, OWEB released the Board-approved questions for consideration as Focused Investment Partnership Priorities are developed (Attachment A). Submissions for this first round of input were due October 15, 2014.

At the January Board meeting, staff will provide additional information, organized in twelve priority theme areas (Attachment B), for Board discussion. The information will be organized in a template for priority themes (Attachment C). In addition, staff will offer an approach for considering priority scales and will bring scale examples to the Board to inform the discussion. Completed priority themes summaries will be made available prior to the Board meeting (Attachment D).

Public comment also will be received at the January meeting both prior to discussion of the theme areas and after the Board has reviewed, providing a chance for groups and individuals to support their suggested priority submissions, suggest new priority concepts, and to provide feedback on Board discussion.

Following the January Board meeting, staff and the Board Subcommittee on Focused Investments will work with technical experts to respond to questions raised at the January Board meeting in preparation for a decision about Focused Investment priorities in April 2015. These steps are based on the process approved by the Board in July of 2014.

V. Recommendation

This is a discussion item only. No decisions are requested at the January meeting.

Attachments

- A. Timeline and Instructions for Submitting Focused Investment Priority Input
- B. Priority Theme areas
- C. Priority Theme template
- D. Priority Theme summaries (if not available for inclusion in the staff report, will be provided prior to the Board meeting)

Input for Board Proposed Priority Consideration

Between August 2014 and April 2015, the OWEB Board will receive input as it develops a set of priorities of statewide ecological significance for Focused Investment Partnership funding. This is a new process for the OWEB Board. These priorities will apply only to the Focused Investment Partnership funding within OWEB's spending plan (currently between 10-12% of OWEB's funds). In an effort to secure early advice and input from a broad cross-section of stakeholders, the Board has developed a set of questions for stakeholder response.

If you are interested in providing input to the Board during this first phase of priority-setting, please respond to the attached questions in a letter. The letter should not exceed ten pages. The Board has identified these questions as a part of their decision-making process. Your feedback will help them better understand priorities from a variety of perspectives.

The steps for priority-setting are as follows:

1. August 1-October 15, 2014 OWEB Board receives potential priorities recommendations from stakeholders
2. October 28-29, 2014 OWEB Board meeting in Grants Pass - opportunity for stakeholders to provide input on priority proposals and receive additional suggestions during public comment process
3. October-December, 2014 OWEB staff and Focused Investment Subcommittee review input; combine similar proposals and develop summary for Board, along with preliminary recommendations
4. January 27-28, 2015 OWEB Board Meeting in Astoria – Board reviews subcommittee summary; additional opportunity for stakeholders to provide feedback on proposals during public comment
5. January-March, 2015 Subcommittee and staff solicit additional input as needed through a variety of mechanisms; revise proposals based on feedback from Board and stakeholders
6. April 28-29, 2015 Board Meeting in Salem - review final draft priorities; additional opportunity for public comment; Board approves final priorities

If you would like further information about this process or to ask questions, please contact Meta Loftsgaarden at OWEB - meta.loftsgaarden@state.or.us.

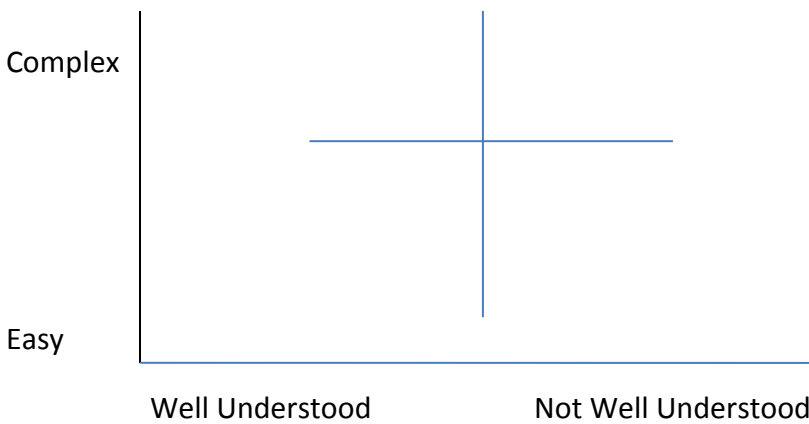
Proposed Priority Response Questions for OWEB Board

The following questions include factors the Board will consider as they select priorities for the Focused Investment Partnership Program. We recognize all factors are not applicable or known for every priority. Please provide information as available. Summarize the following information about your proposed priority for the OWEB Board to consider (the Board encourages submissions of ten or fewer pages). Your input will be integrated and refined with other input and expertise.

1. Proposed Priority Description
 - a) What is the native fish or wildlife habitat to be conserved or other natural resource issue to be addressed?
 - b) What are the specific expected ecological outcome(s) to be achieved after this priority is addressed?
 - c) What is the defined geographic location within which this proposed priority can be successfully addressed?
2. Significance to the State
 - a) Why is this proposed priority of ecological significance to the state, even though it may not be present everywhere in the state?
 - b) Are there any social and/or economic considerations that the Board should understand regarding this proposed priority?
 - c) In addition to its significance to the state, identify how the proposed priority fits within regional & local ecological priorities.
3. Limiting Factors
 - a) What ecological limiting factors exist that relate to the proposed priority identified? *Limiting factors* are the physical, biological, or chemical conditions and associated ecological processes and interactions (e.g., population size, habitat connectivity, water quality, water quantity, etc.) experienced by the habitat that may influence viable population parameters (i.e. abundance, productivity, spatial structure, and diversity).
 - b) Reference any framework(s) that exist (Recovery Plans, Implementation plans, etc.).
4. Threats and Benefits
 - a) What overall threats exist to the proposed priority identified? *Threats* are the human actions (e.g., fishing, development, road building, etc.) or natural (e.g., flood, drought, volcano, tsunami, etc.) events that *cause or contribute-to* limiting factors. Threats may be associated with one or more specific life cycle stages and may occur in the past, present, or future.
 - b) What will happen if the threats aren't addressed?
 - c) Describe the economic, social, iconic and cultural benefits of addressing the outcome and impacts of not addressing it.
 - d) Briefly summarize how much has been done already, how much is remaining.
 - e) What is your best estimate of cost to address the priority, and as a result, how economically feasible do you believe it is to address this priority over time?
5. Opportunities

- a) Ecological:
 - 1. What are the measures of ecological success? What’s the likelihood of ecological success in the short (6-year), medium and long-term (define the term lengths)?
 - 2. What types of voluntary conservation actions could be undertaken to address the proposed priority?
 - 3. Should the proposed priority be divided into geographic areas that are appropriate for partners to address?
- b) Social:
 - 1. Do partnerships exist to address the proposed priority? If so, briefly describe. If not, note why this proposed priority is important enough that partnerships may form to address it.
 - 2. What social opportunities exist to address the proposed priority? Is there momentum built?
 - 3. Describe educational benefits, if any.
 - 4. Summarize the social, community, political, regulatory or other factors that will help lead to the success of this proposed priority.
 - 5. What can be leveraged to address the proposed priority (funding, acreage impacts, other resources)?
- a) Economic Benefits
 - 6. Describe the economic benefits of addressing the ecological proposed priority, including ecosystem services

6. FOR ALL SUBMISSIONS: Assess the proposed priority by locating the proposed priority in one of the quadrants below. Describe why the proposed priority falls in this quadrant. There is no wrong answer to this question and there may be multiple answers.



- 7. Is there other information the Board should know regarding this priority?
- 8. In lieu of attaching letters of support for this proposal, please submit a list of other supporting individuals or organizations.

12 "Themes" and the 42 Associated Suggested Ideas for Focused Investment Priorities

NOTE: Priority submissions were organized into themes OWEB staff for the purpose of efficiently gathering input and advice from technical experts to inform the OWEB Board

Organizing Theme for Priorities
Suggested Priority Ideas submitted as part of OWEB's 2014 Priority Input Process (see http://www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx for more information)
Closed Basin Wetland/SONEC
Harney Basin wetlands
SONEC basin floodplains
Cross-Theme (these suggested ideas cross over more than one theme)
Assessments of water utilities and irrigation districts
Fish and wildlife habitat connectivity
Fish passage restoration
Deschutes Aquatic Habitat
Conserving a unique spring-fed river system
Lower Deschutes salmon and steelhead stronghold
Salmon and steelhead reintroduction in the Deschutes River Basin
Dryside Forests
Restoration of dry-mixed conifer forests
Grande Ronde Native Fish
Upper Grande Ronde native fish habitat
John Day Native Fish Habitat
Accelerated restoration in the Upper North Fork John Day
Instream habitat and upland plant communities of the John Day Basin
John Day Basin cold water salmonid habitat
John Day Basin restoration of aquatic and upland habitats
Lower John Day River whole watersheds restoration initiative
Restoration of habitats in the John Day River Basin
Lower Columbia Native Fish Habitat
Chum conservation
Hood River salmon, steelhead, and bull trout habitat
Protecting Oregon estuaries from climate change
Sandy River Basin initiative
Oak Woodlands
East Cascades oak woodlands
Oak woodlands in southern Oregon
Willamette Valley oak and prairie habitats
Aquatic ecosystems in Upper Klamath Basin
Governor's water quality priority: Upper Klamath Basin
Oregon Coast
Governor's priority: Coastal Coho
Integrated land stewardship for salmon, Cape Blanco area
Oregon Coast Coho
Oregon Coast estuarine habitats
Oregon Coastal Coho habitat, with focus on family, forests, and farms
Reigniting the Oregon Plan: Achieving restoration-scale in coastal sedimentary basins
Rogue Basin native fish population, capacity building
Rogue River stream corridors
Tillamook-Nestucca fish passage partnership
Umpqua and Rogue River basins native fish habitat: Lamprey
Upland/Riparian restoration in the coastal ecoregion
Wild rivers coast estuaries
Sage Steppe/Sage Grouse
Governor's priority: Sage Steppe
Oregon model to protect sage grouse
Upper Klamath Native Fish Habitat and Water Quality
Aquatic ecosystems in Upper Klamath Basin
Governor's water quality priority: Upper Klamath Basin
Willamette Basin Aquatic Habitat and Water Quality
McKenzie River conservation of native fish, wildlife and other natural resources
Oregon's river/Our river: Willamette Basin rivers, streams and riparian forests
Governor's water quality priority: Willamette Basin

Focused Investment Partnerships

Priority Theme

At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date. This memorandum summarizes one theme for Board discussion.



Theme name:

Theme summary based on input received to date

This section includes:

- A brief description of the geography of the theme,
- The native fish and/or wildlife to be conserved or other natural resource issue to be addressed,
- The limiting factors relating to the proposed Priority,
- The specific expected ecological outcome(s) to be achieved in this theme, and
- An overview of the significance of this theme to the state.

This information reflects input from the Priority suggestions solicitation process.

Expert Group input to date

This section provides Expert Group discussion highlights, and recognizes that the Expert Group input phase will continue following the January Board meeting as needed to respond to Board questions.



Focused Investment Partnerships

Priority Theme – January 2015

At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this summary is by no means a guide for the process of defining Priorities. This is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: CLOSED BASIN WETLANDS/SONEC

Suggested priority submissions: Harney Basin wetlands; SONEC basin floodplains

Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Significance to the state

- SONEC wetlands have international importance as habitat for migratory birds, supporting 70 percent of the Pacific Flyway's waterfowl annually during spring migration. This migration includes 20 percent of the world's white-faced ibises, 50 percent of Ross's and greater white-fronted geese, 18 percent of mallards and redheads, and 90 percent of lesser sandhill cranes, among many other species.
- Instream habitats in this region are important for numerous native fish species, including the ESA-listed Warner and Modoc sucker fish
- The SONEC region also includes extensive sage-steppe habitat that supports an extensive, vibrant ranching community that depends on the ecological health of that sage-steppe habitat.
- SONEC sage-steppe and wetland habitats are also critical for brooding and rearing of sage-grouse in the region.
- Conservation work in this region to date has supported new, important cooperative efforts between the ranching community, the Malheur National Wildlife Refuge, and other local, state and non-profit partners. In addition, the Malheur National Wildlife Refuge is a critical recreational and economic resource for Harney County.

Geographical Options

Range from the Harney Basin (including the Malheur National Wildlife Refuge) to the entire SONEC region (Southern Oregon Northeastern California)

Habitat/natural resource issue of concern

- Wetland and floodplain habitat
- Migratory birds and sage-grouse

- Native fish species, including bull trout, Warner and Modoc sucker fish, redband trout, tui chub, and lamprey

Limiting factors

- Loss and degradation of wetlands and stream habitat
- Conversion from flood to sprinkler irrigation
- Invasive carp
- Invasive plant species

Ecological and social outcomes

- Acres of increased wetlands and floodplain habitat via acquisition and restoration
- Measured decrease in invasive carp populations
- Reduction of invasive plant species
- Percent increased landowner recruitment
- Coordination with landowners on conservation efforts and irrigation practices
- Instream water transfers to support native fish species

Expert Group Input ^{*}

- SONEC/Harney wetlands are of statewide and national significance due to the importance of the Pacific flyway. The combination of different wetland types is important throughout the year for the different stages of feeding and breeding of birds.
- In 2012 a Comprehensive Conservation Plan (CCP) was adopted by a diverse group of stakeholders to document the hydrology and balance uses in the region. Harney County working group has been convening for seven years to identify and begin to address the threats to the system.
- High conservation priorities include awareness and implementation of flood irrigation practices, management of invasive carp, and water resources management relative to climate change, native fish species recovery, and maintaining wetlands diversity.
- SONEC could focus on increasing acreage of wetlands through restoration and water management; while Harney wetlands could focus on restoring wetlands through water management and invasive carp control.
- Flood irrigation and opportunities to purchase additional wetlands can increase wetland acreage and increase resiliency/longevity of habitat towards climate change. FIP funds can be used to “fill the gap” to create resilient systems to buffer against climate change
- Investments can be made at a scale that will make a measureable difference. However, additional funding will be necessary, and can continue to be secured through the North American Wetlands Conservation Act (NAWCA) and other federal programs, if SONEC/Harney is adopted as an OWEB priority.

^{*} This section recognizes that the Expert Group input phase is not complete at this time and that the Expert Group or individual Experts may be solicited for additional input on this theme.



Focused Investment Partnerships

Priority Theme – January 2015

At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: CROSS-CUTTING THEMES

Suggested priority submissions: Assessments of Water Utilities and Irrigation Districts; Fish and Wildlife Habitat Connectivity; Fish Passage Restoration

Other cross-cutting themes identified by staff based on reviews of priority submissions: Climate change, including water-management needs

Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Several cross-cutting themes were either submitted as suggested priorities or identified by staff as common themes across multiple submissions described in other theme areas. In some cases—for example, fish and wildlife habitat connectivity and climate change—the concepts are potentially relevant and integral to all priority theme areas. In other cases—for example, fish passage restoration and water management—the ideas are focused on actions that can be taken in many of the priority theme areas to address limiting factors to habitats and/or species of concern.

Below are brief summaries of each of the five cross-cutting themes listed above. At the January Board meeting, staff will request guidance from the Board about an approach to address the themes that are cross-cutting in nature.

Cross-Cutting Theme #1: Assessments of Water Utilities and Irrigation Districts

Significance to the state: Efficient water conveyance systems are an opportunity to pursue innovative water conservation, which can lead to increased instream flows and fish passage benefitting native resident and anadromous fish species

Geographical Options: Statewide

Habitat/natural resource issue of concern: Aquatic ecosystems with water-quantity deficiencies

Limiting factors: Funding, landowner recruitment and coordination

Ecological and social outcomes: Instream habitat restoration for native fish species; strengthen rural agricultural economies and communities; in some cases, creation of opportunities for renewable energy production

Cross-Cutting Theme #2: Fish and Wildlife Habitat Connectivity

Significance to the state: Critical component of the Oregon Conservation Strategy

Geographical Options: Statewide

Habitat/natural resource issue of concern: Fish passage and wildlife habitat connectivity

Limiting factors: Land-use development, road construction, stream degradation, small dams, irrigation diversions

Ecological and social outcomes: Ensure the continuation of ecological and evolutionary processes; aid in the recovery of listed species and stabilize existing populations

Cross-Cutting Theme #3: Fish Passage Restoration

Significance to the state: Fish passage addresses 18 ESA-listed fish species throughout the state of Oregon

Geographical Options: Statewide

Habitat/natural resource issue of concern: Fragmented aquatic habitats that have isolated specific populations of native fish

Limiting factors: Fragmented habitat and degraded natural stream channel processes through channel constricting structures, such as fish passage barriers, dams, etc.

Ecological and social outcomes: Restore spatial and temporal connectivity of streams within and between watersheds, permitting fish to access critical areas for the development of various life stages

Cross-Cutting Theme #4: Climate Change, including Water Resources Management Needs

Significance to the state: Conservation of aquatic and terrestrial ecosystems statewide; balance demands on water resources for ecosystem and economic needs

Geographical Options: Statewide, with particular attention to central and eastern Oregon

Habitat/natural resource issue of concern: Aquatic habitats, sustainable management of Oregon's water resources

Limiting factors: Shifting hydrologic regimes due to climate change, water availability in key habitat areas where water is needed for agriculture as well as fish and wildlife.

Ecological and social outcomes: Development of a statewide, long-term water conservation strategy; restoration of cold water springs; protection of groundwater sources; promote hydrologic connectivity among rivers, lakes, wetlands, and groundwater; develop climate change resiliency, particularly relative to water resources

Focused Investment Partnerships

Priority Theme – January 2015



At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: DESCHUTES AQUATIC HABITAT

Suggested priority submissions: Lower Deschutes Salmon and Steelhead Stronghold; Salmon and Steelhead Reintroduction in the Deschutes River basin; Upper Deschutes: Conserving a Unique Spring-fed River System

Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Significance to the state

- The Deschutes River is one of Oregon's most iconic river systems. As the state's second largest watershed, it supports an extraordinary diversity of habitat types, networks of tributary streams, wetlands, and off-channel rearing habitats, which historically generated some of the largest salmon and steelhead runs in the Columbia Basin.
- In addition to its key role in the state-supported re-introduction of anadromous fish, the health of the Deschutes affects the state's ability to recover federally-listed mid-Columbia steelhead. The Deschutes also maintains critical populations of spring and fall Chinook.
- The restoration of salmon and steelhead runs, including Suttle Lake's unique sockeye run, will be a major achievement for the state.
- The Lower Deschutes is a destination for hunting, fishing, wildlife viewing and river recreation, and the Deschutes Basin maintains Federal Wild and Scenic River and State Scenic Waterway designations.
- The U.S. Fish and Wildlife Service recently listed the Oregon spotted frog, which inhabits the Deschutes basin, as threatened under the Endangered Species Act.

Geographical options

Ranges from the entire Deschutes Basin to the Upper Deschutes basin (including the Metolius and Crooked Rivers and Whychus Creek), to the Lower Deschutes basin (including Bakeoven and Buckhollow Creeks and the White River).

Habitat/natural resource issue of concern

- Native resident and anadromous fish species, including: steelhead (Threatened), chinook salmon, redband trout, bull trout, and Pacific lamprey
- Freshwater flows, including water quantity and quality (temperature)

- The Oregon spotted frog, recently listed as Threatened under the federal ESA

Limiting factors

- Fish passage barriers and unscreened diversions
- Water quantity and quality (streamflow, water temperatures, sedimentation, inefficient irrigation systems, other)
- Fragmented aquatic habitats and loss of connectivity
- Stream and floodplain habitat
- Land-use changes and competing land uses
- Invasive plant species
- Climate change
- The upper Deschutes' altered flow regime impacts the geomorphology and biological integrity of the river

Ecological and social outcomes

- Reduce habitat fragmentation and improve connectivity
- Improve water quality (e.g., temperature, macro-invertebrate population, sedimentation)
- Increase instream flows
- Improve fish passage
- Restore riparian and upland habitat
- Increase landscape-level planning and implementation
- Balance ecosystem needs and socioeconomic demands, such as agriculture, ranching, recreation and urban and rural development

Expert Group Input^{*}

- Experts agreed that the Deschutes Basin has statewide significance because of the high potential for healthy populations of anadromous fish.
- The Deschutes Basin experiences much demand from development and industry; however, these connections also create opportunities to rally public support for conservation and showcase strong management in achieving economic and ecosystem balance.
- With a substantial investment having been made in the basin, experts thought it is important to keep momentum going in order to achieve anadromous fish habitat condition goals. Experts observed that the Deschutes Basin has received more than \$300M in state, federal, mitigation, and private funding, but a FIP Priority could provide much needed additional funding to achieve restoration goals and make the difference moving forward.
- Expert's discussion of potential Deschutes Priority scales:
 - Some experts indicated that both the upper or lower Deschutes provide important, but different spawning and rearing habitats for salmonids.
 - Experts cited an urgent restoration priority to increase instream flows and address water quality issues in the Upper Deschutes. However, they noted the value in a priority that ties upper and lower basin restoration goals together, especially as fish passage is restored over time. Experts noted the current strong partnerships in place there.

^{*} This section recognizes that the Expert Group input phase is not complete at this time and that the Expert Group or individual Experts may be solicited for additional input on this theme.

Focused Investment Partnerships

Priority Theme – January 2015



At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: DRYSIDE FORESTS

Suggested priority submissions: Restoration of Dry-Mixed Conifer Forests

Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Significance to the state

- Ponderosa pine and dry mixed conifer forests cover vast acreages in Oregon, including nearly half of all forests in Oregon and 25 percent of the state's land base.
- Dryside forests support over 800 forest-dependent species, many of which rely specifically on this habitat type.
- Dryside forests provide habitat for a wide diversity of bird species, including imperiled species such as: the northern spotted owl, white-headed woodpeckers, northern goshawks, and Pacific fisher.
- These forests also support freshwater ecosystems that host a range of listed native resident and anadromous fish species, including ESA-listed coho salmon, bull trout, and Oregon spotted frogs, as well as chinook salmon, steelhead, redband trout, and freshwater mollusks.
- Dryside forests have a legacy of supporting Oregon rural communities through local industry and recreational opportunities for local residents and tourists.
- Ponderosa pine and dry conifer forests are an important part of Oregon's forest ecosystems.

Geographical Options

Dry fire adapted pine and mixed conifer forests east of the Cascade Mountains, such as in the Blue Mountain Range, and in southwest Oregon's Rogue watershed

Habitat/natural resource issue of concern

- Ponderosa pine and dry mixed conifer forests
- Native bird species, including: white-headed woodpeckers, northern goshawks, northern spotted owl, and Pacific fisher

- Native fish species, including: coho and chinook salmon, redband and bull trout, Oregon spotted frogs, steelhead, endemic freshwater mollusks

Limiting factors

- Catastrophic fires as a result of fire-adapted forests
- Densification of these forests due to altered fire regimes
- Vulnerability to insects and disease

Ecological and social outcomes

- Restore resiliency and forest health
- Restore forest structure and species composition to be within the range of natural variation
- Provide opportunities for local communities to be involved in forest management through active partnerships
- Increased work volume to the wood products industry
- Increased landscape-level planning and implementation

Expert Group Input^{*}

- Experts noted that additional funds are needed for a variety of activities to supplement federal funding that is now focused on vegetation management. Federal partners (USFS, NRCS) are actively working in this theme area on both federal and private lands.
- Experts pointed out the connection between a dryside forest investment and associated aquatic outcomes, such as fish habitat and erosion management.
- There is great potential to dovetail existing Forest Collaboratives with FIP funding to increase the scale of investments and accelerate restoration towards this theme area.
- Experts observed that the scale of an all-inclusive dryside forests Priority could be too large. Delineating a smaller area could be advantageous where it overlaps with funding and partnership opportunities. For example, the Blue Mountains and southwest Oregon fit these criteria because there is already substantial investment and have been identified by several state and federal agencies as top priority forest systems for coordinated management.
- Some criteria the Board could consider in identifying a geographic scope for a potential Priority area: past OWEB investments, funding leverage opportunities, partnership opportunities, overlay with climate change/fire risk and sensitive resources/species status, and social/economic opportunities.

^{*} This section recognizes that the Expert Group input phase is not complete at this time and that the Expert Group or individual Experts may be solicited for additional input on this theme.

Focused Investment Partnerships

Priority Theme – January 2015



At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: GRANDE RONDE NATIVE FISH

Suggested priority submissions: Upper Grande Ronde Native Fish Habitat

Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Significance to the state

- This theme addresses habitat restoration for spring chinook and steelhead, which aligns with Oregon's Native Fish Conservation Policy and Oregon Conservation Strategy.
- Chinook and steelhead have significance to tribes in the region.
- Columbia Basin salmon and steelhead stocks are listed under the federal ESA. The Columbia River Power System Biological Opinion calls for habitat improvements in tributaries, including the Grande Ronde.
- Work is underway in the basin that incorporates numerous partners, including leaders from local government and tribes.
- Anadromous fish species in this region support a strong recreational tourism economy for local communities.

Geographical Options

Range from the entire Upper Grande Ronde Basin to individual watersheds, including Catherine Creek, the Imnaha River, Joseph Creek, and the Wallowa River

Habitat/natural resource issue of concern

Native resident and anadromous fish species: spring chinook, steelhead, and bull trout

Limiting factors

- Decreased water quantity and quality
- Water temperature
- Excessive sedimentation
- Lack/degradation of stream habitat
- Degraded riparian
- Fish passage

Ecological and social outcomes

- Increased instream habitat complexity
- Improved floodplain connectivity and riparian enhancement
- Increased side channel habitat
- Increased instream flow
- Improved fish passage
- Coordinated restoration efforts
- Restoration work supports job creation and recreation opportunities

Expert Group Input^{*}

- The Grande Ronde has a long history of restoration planning and action relative to listed native resident and anadromous fish species. As a result of 30 years of work, there are strong partnerships and restoration plans in place to support additional funding opportunities that could greatly accelerate restoration actions.
- Experts discussed an appropriate geographical scale in this watershed that could encompass Chinook, steelhead, and bull trout habitats. The area includes: Catherine Creek, the Upper Grande Ronde, the Joseph River, the Imnaha River, and the Wallowa River. This area already possesses a list of prioritized projects, a monitoring program, and means for tracking progress towards recovery goals.
- OWEB funding could complement BPA funding that cannot be used for rivers that do not include Chinook habitat. An additional investment by OWEB could “tip the scales” towards faster recovery for all species.
- Experts indicated the following limiting factors in the Grande Ronde basin: reduced instream flows, water quality degradation, and a lack of habitat complexity. The recovery plan in place for Chinook and steelhead identifies the limiting factors in biologically significant reaches and the actions needed to address those limiting factors. An OWEB priority for the Upper Grande Ronde could accelerate restoration in key reaches of the tributaries for native fish recovery.

^{*} This section recognizes that the Expert Group input phase is not complete at this time and that the Expert Group or individual Experts may be solicited for additional input on this theme.

Focused Investment Partnerships

Priority Theme – January 2015



At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: JOHN DAY NATIVE FISH HABITAT

Suggested priority submissions: Accelerated Restoration in the Upper North Fork John Day; Instream Habitat and Upland Plant Communities of the John Day Basin; John Day Basin Cold-Water Salmonid Habitat; John Day Basin Restoration of Aquatic and Upland Habitats; Lower John Day River Whole Watersheds Restoration Initiative; Restoration of Habitats in the John Day River Basin
Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Significance to the state

- The John Day Basin is the Columbia Basin's most biologically diverse river system, with
- Federal ESA-listed steelhead, spring Chinook and bull trout.
- The John Day River is the longest free-flowing river in the Western U.S. with strong wild runs of salmon and steelhead. These runs are two of the last remaining intact wild populations in the Columbia River basin.
- The ecological health of John Day basin is important for agricultural as well as recreation and forestry.
- The John Day theme aligns with the Oregon Conservation Strategy for the John Day basin, as well as DEQ, USFS, and ODF conservation plans.

Geographical options

Ranges from the South Fork John Day basin; to the Upper North Fork John Day, including several watersheds: Granite Creek, Desolation Creek, North Fork, and Big Creek; to the entire John Day Basin.

Habitat/natural resource issue of concern

- Native resident and anadromous fish species, including: salmon, steelhead, bull trout, and Pacific lamprey.
- Upland plant communities, such as aspen and mixed-conifer forests

Limiting factors

- Historical timber harvesting, gold mining, grazing, and fire suppression

- Reduced instream flows and a lack of seasonal instream flows during critical anadromous fish migration periods
- Water quality, including temperature
- Water quantity, including the over-allocation of water
- Fish passage
- Instream habitat complexity
- Increased sedimentation due to habitat degradation in riparian areas
- Invasive weed encroachment in riparian areas
- Lack of beaver habitat

Ecological and social outcomes

- Recovery of native fish species
- Increased landscape-level planning and implementation
- Restoration and protection of core cold-water habitats in the upper reaches of the basin
- Improved instream habitat and water quality
- Removal of fish passage barriers
- Improvement of upland plant communities
- Increased instream flows, including actions such as landowner incentive programs and implementing irrigation efficiencies

Expert Group Input^{*}

- Experts agreed that the John Day River basin is of statewide and national significance given that it is the largest undammed river in the west, supports listed species of Chinook and steelhead, and does not have any fish hatcheries.
- The basin is vulnerable to climate change due its reliance on snow pack for seasonal flows to support critical flows during spawning and rearing periods. There is already evidence that shows that warming waters in the John Day River and tributaries are contributing to an increase in habitat used by bass which may impact salmon survival rates. Restoring the riparian areas and reconnecting with cold-water springs to provide cold-water refugia was identified as a high priority. The John Day River is on the 303D list of impaired waters. DEQ is currently modeling how to best reduce temperature in order to protect anadromous fish as a beneficial use.
- There have been numerous agencies and tribes active in the John Day Basin, so much planning, restoration, and partnership work is already underway.
- FIP funding could supplement federal funding in critical areas, accelerating restoration efforts and increasing leverage opportunities on both private and public lands
- Experts discussed the Upper John Day and its tributaries as an important area in the basin to address critical limiting factors.
- Experts noted the existing strong partnerships in some areas of the basin.

^{*} This section recognizes that the Expert Group input phase is not complete at this time and that the Expert Group or individual Experts may be solicited for additional input on this theme.

Focused Investment Partnerships

Priority Theme – January 2015



At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: LOWER COLUMBIA NATIVE FISH HABITAT

Suggested priority submissions: Chum Conservation; Hood River Salmon, Steelhead, and Bull Trout Habitat; Protecting Oregon Estuaries from Climate Change; Sandy River Basin Initiative
Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Significance to the state

- This region hosts ESA-listed species, including: chum salmon, steelhead, and bull trout.
- Tributary watersheds of the Lower Columbia provide refuge for native fish and wildlife species in an increasingly urbanized space. In some cases, these watersheds also supply drinking water for their communities (e.g., the Sandy River basin provides drinking water for over 900,000 residents in the Portland area).
- Actions taken in the Lower Columbia River towards estuarine conservation can serve as a model for elsewhere in the state. Such actions also align with Oregon's land use planning goal 16 – Estuarine Resources.
- Some Lower Columbia tributaries (such as the Hood River basin) and certain native fish species (such as chum salmon) have significance to tribes in the region.
- The loss of chum salmon in the Columbia basin has had serious economic impacts, and this species recovery is a priority of the Oregon Conservation Plan and Chum Recovery Strategy.

Geographical options

- Ranges from all Oregon tributaries of the Columbia River; to estuarine and tidal freshwater habitats, including the Lower Columbia River; to the Hood River basin; and the Sandy River basin

Habitat/natural resource issue of concern

- Improved water quality (e.g., temperature, sediment, nutrients)
- Native resident and anadromous fish species, including: Chinook, chum, and coho salmon; summer and winter steelhead; Pacific lamprey; sea-run and resident cutthroat; rainbow trout; listed bull trout; and salmon in the Clatskanie watershed
- Spawning and rearing habitat for fish species
- Estuarine ecosystems

Limiting factors

- Historical habitat alteration through channelization, diversions, and loss of complexity
- Instream and off-channel habitat loss and degradation
- Impairments to spawning habitats through a range of impacts
- Fish passage
- Sedimentation in spawning habitat throughout chum range
- Alteration of hydrologic processes
- Water quality, including stream temperature
- Decreased instream flows
- Channel stability
- Hydropower production

Ecological and social outcomes

- Improved water quality
- Improved instream, riparian, and floodplain habitat
- Provide critical habitat for salmonids, shorebirds, and migratory waterfowl
- Improve estuarine ecosystem function and resiliency
- Balance irrigated agriculture and ecosystem needs
- Assess potential impacts of climate change
- Increased landscape-level planning and implementation

Expert Group Input^{*}

- Experts discussed scale and significance, and it was suggested that a FIP Priority could align with work currently being done by existing organizations, such as the Lower Columbia Estuary Program and others. These organizations may have a comprehensive overview of needs and strategies, as well as the partnerships in place to implement projects.
- Experts did not support a narrower focus on specific tributary basins at this time, but suggested that FIP partnerships could pursue programs in these tributaries at a focused scale.
- Experts also discussed other funding sources, such as the BPA and the US Army Corps of Engineers that provide millions of dollars of funding to the Columbia Basin and tributaries due to their accountability to Columbia basin salmon Biological Opinion.
- Experts noted that Clatskanie watershed salmon have a relatively high likelihood for recovery given current conditions in the watershed. There is also strong overlap with efforts towards chum recovery in this watershed.
- A more comprehensive discussion of this proposed priority theme is needed given the diversity of issues covered by the individual submitted proposed priorities.

^{*} This section recognizes that the Expert Group input phase is not complete at this time and that the Expert Group or individual Experts may be solicited for additional input on this theme.

Focused Investment Partnerships

Priority Theme – January 2015



At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: OAK WOODLANDS

Suggested priority submissions: East Cascades Oak Woodlands; Oak woodlands in Southern Oregon; Willamette Valley Oak and Prairie Habitats

Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Significance to the state

- Oak and prairie habitat in the Willamette Valley is iconic, culturally important, and imperiled.
- Oak and prairie habitats benefit Oregon's state bird, the western meadowlark.
- Oak woodlands habitat is home to roughly 30 species addressed by the Oregon Conservation Strategy.
- Oak woodlands habitat contains a high percentage of bird "species of concern" according to Partners in Flight North American Landbird Conservation Plan.

Geographical options

There are oak woodland habitats statewide, but three areas were proposed as distinct geographic priorities: 1) Prairie and oak habitats of the Willamette Valley ecoregion, generally excluding riparian areas and wetlands associated with the main stem of the Willamette River and its major tributaries; 2) Oak woodlands in the East Cascades, which encompasses 467 square miles of oak/conifer foothills; and, 3) Southern Oregon oak woodlands, including Rogue and Klamath Basins

Habitat/natural resource issue of concern

- Oak and prairie habitat throughout Oregon
- Numerous species that inhabit oak woodlands and prairies, such as Oregon's state bird the western meadowlark, and endemic and ESA-listed species, the Fender's blue butterfly, Kincaid's lupine, Taylor's checkerspot butterfly, and the Willamette daisy

Limiting factors

- Habitat loss and degradation, subsequent loss of biodiversity
- Land conversion for agriculture and development

- Invasive plant species
- Altered successional and disturbance forest patterns
- Habitat fragmentation and barriers to species' movement through disconnected habitats
- Slow regeneration of adult oak trees
- Lack of oak regeneration due to overgrazing by livestock and wildlife
- Encroachment of conifer forests
- Severe wildfire due to altered fire regimes

Ecological and social outcomes

- Conserving and restoring large, connected networks or oak-prairie habitat
- Create resiliency against climate change
- Improved habitat for priority species
- Address invasive species
- Decrease barriers to economic development, particularly in the Willamette Valley
- Reduced catastrophic wildfire risk
- Protected drinking water
- Coordination with private landowners
- Beneficial to Oregon's hunting community and economy
- Increased awareness of historical oak woodlands and habitat conservation in a highly populated region
- Increased landscape-level planning and implementation

Expert Group Input^{*}

- Oak woodlands and prairies are an important terrestrial ecosystem in Oregon. Oregon's oak woodlands are imperiled and funding can be used to develop a comprehensive conservation/restoration strategy. Experts cited encroachment of conifers (such as junipers) as one of the biggest threats to old oak stands. Experts recommended a statewide assessment to identify top priority areas.
- Experts expressed that the Willamette oak woodlands may be the most vulnerable at this time, due to habitat fragmentation and pressures of development. Partnerships and potential funding leverage exist here also. Southern Oregon oaks are vulnerable to climate change. The situation for eastern Oregon oaks is not as dire at this time, although management is needed for conifer encroachment.
- Experts noted oak woodlands conservation does not have a regulatory driver and needs a voluntary effort to make it a higher priority for the state.
- Land ownership influences oak woodlands management and opportunities. Experts confirmed that Wasco is evenly divided between private and public land, the Willamette is predominantly private land, and the Klamath/Rogue is primarily public BLM land.
- Experts suggested that the Willamette Valley and southern Oregon oak woodlands could present a continuous geography that includes the prairie component of this habitat type.

^{*} This section recognizes that the Expert Group input phase is not complete at this time and that the Expert Group or individual Experts may be solicited for additional input on this theme.

Focused Investment Partnerships

Priority Theme – January 2015



At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: OREGON COAST

Suggested priority submissions:

Governor's Habitat Priorities: Coastal Coho; Integrated Land Stewardship for Salmon, Cape Blanco Area; Oregon Coast Coho; Oregon Coast Estuarine Habitats; Oregon Coastal Coho Habitat, with Focus on Family, Forests, and Farms; Re-igniting the Oregon Plan: Achieving Restoration Scale in Coastal Sedimentary Basins; Rogue Basin Native Fish Population, Capacity Building; Rogue River Stream Corridors; Tillamook-Nestucca Fish Passage Partnership; Umpqua and Rogue River Basins Native Fish Habitat, Lamprey; Upland/Riparian Restoration in the Coastal Ecoregion; Wild Rivers Coast Estuaries

Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Significance to the state

- Oregon coastal coho salmon and Southern Oregon Northern California coho salmon are both listed as Threatened under the federal ESA. A recovery plan was just finalized by NOAA for the SONCC and a recovery plan is currently being prepared for the Oregon coast populations
- Native Pacific and western brook lamprey are an 'at risk' species (ODFW) and have cultural significance to Oregon tribes.
- Coastal estuaries are central to Oregon's land use planning goals 16 (Estuarine Resources) and 19 (Ocean Resources) and provide critical habitat to a diversity of fish and wildlife, including coho salmon and migratory birds.
- Sitka spruce forests and riparian areas have important implications on hydrology and water quality to improve salmon habitat. These forests also support stream habitat that hosts cutthroat trout, steelhead, Chinook, and chum salmon. These forests also support habitat for bird species such as the federally ESA-listed western snowy plover and marbled murrelet.
- Coho salmon and upland plant and riparian forests are important to coastal communities and economies, including commercial and recreational fishing, hunting, wildlife watching, and forest resources industries.

- This theme aligns with other state planning efforts, including ODFW’s Oregon Coast Coho Conservation Plan and NOAA’s recovery plans.
- Extensive efforts and partnerships are already underway coast-wide.

Geographical Options

- Entire Oregon coast
- All private lands
- South coast
- Coastal estuaries, including the Sixes and New River estuaries
- Sitka spruce coastal forests
- Coastal sedimentary basins
- Specific watersheds, including: the Elk River basin, the Necanicum and Sixes Rivers, the Rogue River basin, the Tillamook-Nestucca basin, and the Umpqua basin

Habitat/natural resource issue of concern

- Native fish species, including lamprey and coastal coho
- Marbled murrelet
- Sitka spruce forests

Limiting factors

- Increased conversion of land uses
- Water quality
- Fish passage
- Habitat degradation, including instream, floodplain, off-channel, and riparian habitats
- Loss of instream habitat complexity and diminished ecosystem function

Ecological and social outcomes

- Restore and sustain coho population numbers
- Protection of habitat areas and increased habitat connectivity and complexity
- Improved water quality and quantity
- Acres of in-stream, riparian, and wetlands habitat restoration
- Landowner recruitment for coordination of restoration on private property
- Protection of intact agricultural lands

Expert Group Input *

- Recovery of Oregon Coast coho is of statewide and national significance.
- FIP funding can be leveraged in key locations. One or two locations can serve as “proof of concept” to set a precedent for program success.
- A larger, long-term strategy needs to be developed for the Coast, and OWEB funds can be used to “fill the gap” where other funding sources cannot provide resources, especially on the mix of private and public lands.
- Climate change/sea-level rise are additional areas of focus for increasing resiliency by enhancing wetlands that also serve as critical habitat for numerous species, including coho salmon as well as other native fish species.
- Expert’s discussion of potential Coast Priority scales:

* This section recognizes that the Expert Group input phase is not complete at this time and that the Expert Group or individual Experts may be solicited for additional input on this theme.

- Estuaries – Address ecosystem functions in estuaries coast-wide. Primary limiting factors, such as: instream habitat complexity and water quality in tidal areas.
- Coho habitat Coast-wide – Pursue restoration actions guided by current recovery plan. NOAA is finalizing a recovery plan that identifies key restoration areas.
- Independent coho populations – At the population-level, target ripe places on the coast for restoration. With leveraged funding, this scale could offer measurable outcomes contributing to de-listing. Such areas may include: the South Coast (Cape Blanco/New River), Coquille, and Tillamook basins.
- Experts discussed the need to focus on “driver,” such as nutrient impairment. Consideration should be given to areas on the Coast that are data-rich and data-poor as there is inconsistent quality and quantity of information available to assess these “drivers”.
- Sequential impact can be achieved by strategically coordinating FIP efforts with other (non-FIP) restoration actions and funding opportunities in a long-term, large-scale action plan.
- Targeted restoration actions: coho habitat, water quality, work on private lands, addressing agriculture in low lying estuary and tributary areas. Some experts noted that the most important limiting factor for coho habitat and recovery is instream complexity and ecosystem function.
- Strong partnerships at the local level exist, and many state and federal agencies have prioritized the development of action plans to address threats and secure coastal resilience from climate change by restoring and protecting habitats.

Focused Investment Partnerships

Priority Theme – January 2015



At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: SAGE-STEPPE/SAGE-GROUSE

Suggested priority submissions: Governor's Habitat Priorities: Sage-steppe; Oregon Model to Protect Sage-grouse

Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Significance to the state

- Identified by a broad collection of stakeholders (including the Governor's office) as a state conservation priority
- Aligns with restoration actions outlined in the state's All Lands, All Threats Plan and the Oregon SageCon Action Plan
- Opportunity to coordinate with the ranching community and work towards ecological and socio-economic goals that support the extensive ranching economy in this region
- Implications of regulatory intervention with listing of sage-grouse under the federal ESA
- Sagebrush/sage-steppe habitat is the largest ecosystem in eastern Oregon, and one of the most threatened land types in North America
- Interest in this issue spans the Western U.S and is a high priority for the Secretaries of Agriculture and Interior, given that sage-grouse habitat and associated issues affecting it is a common concern across the west with significant economic implications if sage grouse are ESA listed.

Geographical options

Ranges from the entire Great Basin of Eastern Oregon to the specific priority sage-grouse habitat areas within several counties of Eastern Oregon as identified by the BLM, ODFW, and others.

Habitat/natural resource issue of concern

Sagebrush-steppe habitat and sage-grouse

Limiting factors

- Loss and degradation of biodiversity of sage-steppe habitats due to altered fire regimes and other land use management practices

- Encroachment of conifers such as juniper and invasive non-native grasses

Ecological and social outcomes

- Coordination with existing agency conservation plans
- Response to federal ESA sage-grouse proposed listing
- Restoration of sage-grouse habitat at landscape scale
- Coordination with the region’s ranching community
- Management of conifer forests and invasive grasses
- Increased acres of native grasses
- Pre- and post-fire conservation actions.
- Increased landscape-level planning and implementation

Expert Group Input *

- Experts cited sagebrush-steppe habitat as one of the most imperiled in North America, with 50% of this ecosystem having been lost during the past 150 years.
- Sage-steppe habitat is critically important to the agricultural/ranching community in the region. Cattle production is dependent on healthy sage-steppe ecosystems.
- The greater sage-grouse is a candidate species for ESA listing and experts noted the implications of regulatory intervention that would result of such a listing. The portion of the bird’s range that is in Oregon has also been identified by the Secretary of Interior as one of national significance.
- Experts also agreed that partnerships with landowners in this region could be strong and current efforts have already received good support. Such efforts include the Candidate Conservation Agreement with Assurances (CCAA) processes that are underway.
- Experts’ discussion of potential sage-grouse priority scales included:
 - A regional-based strategy supported by a comprehensive plan that prioritizes key areas with strong partnerships and is ripe for implementation, and has a practical scale with measurable outcomes.
 - The PAC (Priority Areas for Conservation) approach – various PACs could be focus of a sage-grouse priority, targeting specific habitat currently in use by the species.
 - In the context of sagebrush-steppe habitat more broadly, some experts noted that although this area is large, targeted investments could make a measurable difference in key breeding and foraging areas.
- There is potential for different funding sources (e.g., federal funding through NRCS for landowner actions, funding from BLM for work on federal land) to complement each other. It is urgent that all potential funding sources become involved to avoid listing of sage-grouse.
- Large-scale restoration strategies include restoring sage-grouse habitat at the landscape scale to protect critical lek areas with buffers, reducing habitat fragmentation, and increasing connectivity of high-quality habitats. Major ecosystem threats of wildfire, exotic weed invasion, and conifer encroachment must be adaptively managed over time.

* This section recognizes that the Expert Group input phase is not complete at this time and that the Expert Group or individual Experts may be solicited for additional input on this theme.

Focused Investment Partnerships

Priority Theme – January 2015



At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: UPPER KLAMATH NATIVE FISH HABITAT AND WATER QUALITY

Suggested priority submissions: Aquatic Ecosystems in Upper Klamath Basin; Governor's Water Quality Priorities: Upper Klamath Basin

Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Significance to the state

- The Upper Klamath Basin (UKB) contains the Lost River and shortnose sucker fish species, both of which are listed under the federal ESA. In addition, the wetland complexes are a critical migratory corridor for many bird species.
- The basin hosts important tribal fish species, including the sucker fish and potentially salmon.
- UKB is an icon for water conflict in the state. Resolving it would be symbolic and provide a model for effective watershed management elsewhere.
- Significant conservation planning and implementation is already underway. Examples include the 2008 Klamath Basin Restoration Agreement and most recently the Upper Klamath Basin Comprehensive Agreement (UKBCA), signed in 2014, which coordinates the Tribes, agencies and landowners and has great potential for increased instream flows and decreased nutrient loading in Upper Klamath Lake.

Geographical options

Ranges from the entire Upper Klamath Basin in Oregon to regions in the Sprague, Sycan, Williamson and Wood sub-basins that have been identified in the UKBCA for water-use management and riparian restoration.

Habitat/natural resource issue of concern

- Aquatic ecosystems
- ESA-listed sucker fish (Lost River and shortnose species)
- Redband and bull trout
- Reintroduction of salmon and steelhead

Limiting factors

- Nutrient loading, namely phosphorous in Upper Klamath Lake
- Riparian degradation
- Stream channelization
- Reduction of instream flows
- Fish passage barriers
- Loss of floodplain connectivity
- Increased sedimentation
- Increased water temperatures
- Degraded fish habitat

Ecological and social outcomes

- Strategies to improve fish and wildlife habitat and water quality towards restoring native fish populations to the Upper Klamath basin
- Improve instream flows to meet fish and agricultural goals
- Implement collaborative actions between agencies and landowners, including the development of grazing management plans
- Removal of levees to promote floodplain connectivity
- Reconnect cold-water springs to adjacent river systems
- Continue the momentum of important collaborative agreements in the basin
- Foundation for market-based programs that bring capital to invest in water quality conservation
- Increased landscape-level planning and implementation
- Improved coordination and collaboration among sectors/stakeholders

Expert Group Input^{*}

- The Upper Klamath can set a precedent in Oregon and the Western U.S. for finding solutions and managing conflicts related to water management and endangered species.
- Experts discussed the importance of maintaining momentum since 2000 with collaborative agreements and the risk of the momentum dissipating and agreements unraveling if funding resources are not allocated to the Klamath Basin while Congressional legislation is pending.
- Issues of scale and measurable outcomes should be considered. For example, nutrient loading can be addressed but requires large-scale coordination, including with landowners.
- Experts also considered a whole watershed approach in connecting the Upper and Lower (CA) Klamath. This could be the most significant river restoration effort in the U.S. by reconnecting the wild salmon runs of the lower river, providing fish passage into Oregon and re-establishing anadromous fish in the Upper Basin.
- Experts agreed that the investment needed to restore the entire basin is large, but there are key areas of investment that are necessary to meet the goals of the UKBCA and are within the potential of OWEB funding if leveraged with other agency funds. Such actions include various local projects to restore hydrologic-riparian connectivity and acquire water rights.
- Some experts noted that even at smaller scales actions focused on fish passage and riparian restoration will address ESA-listed sucker fish, as well as redband and bull trout. For example, a measurable difference can be made at a few locations with fish screens and habitat improvements.
- The reduction of phosphorous loading into Upper Klamath Lake was discussed as a very high priority because it affects so many downstream ecological functions and habitats.
- Experts also discussed the risks of not selecting the Upper Klamath Basin as a priority, given the social and political momentum) in the basin, and recognition that the restoration efforts are also of national significance.

^{*} This section recognizes that the Expert Group input phase is not complete at this time and that the Expert Group or individual Experts may be solicited for additional input on this theme.

Focused Investment Partnerships

Priority Theme – January 2015



At the January 2015 Board meeting, the OWEB Board will discuss themes that have emerged through extensive input in the Priority-setting process to date.

This memorandum summarizes one theme for Board discussion. The input summarized here is drawn from numerous sources, including the Proposed Priority submissions received by OWEB in October 2014 and initial discussions with experts in the theme areas.

It is important to note the DRAFT status of this summary. OWEB Staff are still in the process of collecting input from expert sources. While these summaries offer early conversations around the theme areas and thoughts around sculpting themes into potential Priorities, this is early input only. The responsibility for defining Priorities lies solely with the Board.

Theme: WILLAMETTE BASIN AQUATIC HABITAT AND WATER QUALITY

Suggested priority submissions: Governor's water quality priority: Willamette Basin; McKenzie River conservation of native fish, wildlife and other natural resources; Oregon's river/Our river:

Willamette Basin rivers, streams and riparian forests

Priority submissions can be found here: www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx

Theme Summary

Significance to the state

- Several native resident and anadromous fish species are listed under the federal ESA, including chinook salmon, bull trout, and Oregon chub.
- The Oregon Conservation Strategy highlights several key species for protection in the Willamette basin, including Pacific lamprey, Pacific brook lamprey, rainbow trout, cutthroat trout, western pond turtles, and Oregon spotted frogs.
- McKenzie River spring Chinook are a genetic legacy for the Upper Willamette Basin and McKenzie River bull trout are listed as a statewide priority in the Oregon Conservation Strategy.
- The Willamette basin provides many beneficial uses such as drinking water for large populations, as well as a vibrant recreation and tourist economy. It is also home to approximately 70% of the population of Oregon.
- Future population growth projection shows that the Willamette Basin will grow rapidly.
- The Pacific Flyway bird species utilize inundated floodplains and side channel habitats throughout the basin, which are also critical areas for salmon recovery.
- Habitat conservation efforts provide an opportunity to build resiliency and cold-water refugia to offset climate change impacts.

Geographical Options

Range from the entire Willamette basin, to the Upper Willamette basin, to the McKenzie River or other sub-basins

Habitat/natural resource of concern

- Native fish and wildlife
- Water quality

- Native riparian, floodplain, and off-channel habitats

Limiting factors

- Degradation of instream, riparian, and floodplain habitats
- Channelization
- Habitat fragmentation
- Land conversion due to development
- Impacts of dams
- Fish passage
- Invasive species

Ecological and social outcomes

- Improved water quality
- Increased acres of floodplains and off-channel habitats
- Increased native fish species population numbers
- Strategically restored riparian forests
- Unified, cross-organizational strategic approach to restoration throughout the Willamette Basin (upper, middle, lower)
- Increased landscape level planning and implementation

Expert Group Input^{*}

- Natural resource issues in the Willamette are well-documented and have been ongoing for decades. The challenge is determining how to organize conservation efforts to get the best return on investments. Partnership implementers may need to coordinate more closely between the tributary and mainstem efforts to better understand where to make optimal investments. For example, a good starting place is riparian/floodplain areas.
- Due to past and ongoing work in the Willamette, many problems are more tractable than perhaps elsewhere in the state. However, the Willamette faces immense pressure as the population center here will continue to grow according to population projections.
- Experts discussed the risk of not having a Willamette Priority in terms of losing important momentum for conservation and restoration. The Willamette's recent legacy of large-scale restoration and conservation could be reinforced with a Willamette Priority to maintain a culture of restoration in the basin. A Willamette Priority would offer the opportunity for partnerships to "build their brand" towards collective impact and political clout in improving ecosystem health in the basin.
- Experts suggested embracing the Willamette system in terms of drivers or by desired outcomes such as floodplain reconnection as a priority goal, as opposed to geography of the basin. Experts also discussed scale ranges from the whole Willamette to the McKenzie River tributary. No recommendation was made at this time for scale of the proposed priority, but they did note that in the future, more efforts need to be made to link the work in the upper watershed tributaries to the mainstem restoration work.
- Experts noted the importance of determining how and what outcomes to measure at larger scales and stated that it is important to be realistic about the funding available and setting measurable goals to achieve.
- Key drivers in the Willamette include: ripeness (leverage, partnerships, and landowner engagement) and system focus (clarity on spatial and temporal scales).

^{*} This section recognizes that the Expert Group input phase is not complete at this time and that the Expert Group or individual Experts may be solicited for additional input on this theme.

Salmon River Estuary Restoration Briefing Paper

Oregon Watershed Enhancement Board Meeting

Siuslaw National Forest

January 28, 2015

The Siuslaw National Forest would like to acknowledge the Oregon Watershed Enhancement Board (OWEB) for supporting the restoration efforts in the Salmon River estuary. The Salmon River estuary experienced a series of land acquisition and intertidal marsh restoration projects from 1978 to 1996. Land acquisition continued under the Cascade Head Scenic Research Area Act until 2001, but restoration efforts stalled in 1996, both funding and the necessary support to proceed with restoration in this area had diminished. In 2006 the Siuslaw National Forest pursued a local, community based and student led effort, known as a planning charrette, to reignite restoration efforts in the Salmon River estuary. Once the 6 week student charrette process was complete, OWEB stepped in, applying for USFWS National Coastal Wetland Grant funding on our behalf. OWEB provided the essential state funding as match, building partnership with the Oregon Department of State Lands and as a result secured 1.3 million dollars to continue with the more complex restoration elements that remained in the Salmon River estuary. Each restoration area identified through the student charrette effort, with support of the local constituents, was specified for funding in the National Coastal Wetland Grant. This placed the Siuslaw National Forest in a position to implement all of the remaining restoration elements, with full community support and the financial means to do so.

Another key factor in the success of the restoration efforts from 2007 to present was the financial flexibility integrated into the granting process between OWEB, the Salmon Drift Creek Watershed Council and the National Wetland Conservation Grant program. The National Coastal Wetland Grant program has significant additional flexibility in the length of the granting cycle (i.e., 5 years with a 2-year grant extension, as opposed to 1 year) and year-to-year flexibility in the funded projects within the identified area. Year-to-year flexibility provided an opportunity to move funds between projects, if for instance in one project area we were over budget, because we encountered something that could not have been predicted, and under budget in another area. The restoration projects from 1978-1996 consisted of dike and tidegate removal, all easily completed within a single summer 6-week work interval. The restoration projects from 2007-2014 were more involved and complex, including dismantling a housing development and an amusement park built directly on tidal marsh. Such projects required maximum flexibility in the grant allocation process and year-to-year planning, and implementation was often broken into phases due to the magnitude of the work required (i.e., moving 27,000 cubic yards in a 6-week summer work window during 3 summer periods).

Looking forward, there may not be another place quite like the Salmon River estuary, but it is our belief that there is still a great deal to learn from this area, knowledge that will inform the next 40 years of restoration work like this.



Oregon

John A. Kitzhaber, MD, Governor

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290
(503) 986-0178
FAX (503) 986-0199
www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Greg Sieglitz, Monitoring and Reporting Program Manager
SUBJECT: **Agenda Item F: Effectiveness Monitoring Program Update and Funding Request January 27-28, 2015 OWEB Board Meeting**

I. Introduction

This report: 1) requests Board input on the development of materials for the Board pertaining to current Partnership Investments and future Focused Investment Partnerships, and 2) requests funding to assist in implementation of the Oregon Department of Environmental Quality (DEQ)'s Volunteer Monitoring Program.

II. Background

Two of the seven priority work areas identified following completion and adoption of the Framework and Direction for OWEB's Long-Term Investment Strategy (LTIS) relate to effectiveness monitoring. This report focuses on the Board's direction to "Design effectiveness monitoring for focused investments," which links to Goal 1 of the Board's Strategic Plan by creating a mechanism for the Board and public to understand and evaluate the extent of progress made under each focused investment toward its respective goals.

Within the context of the Strategic Plan and LTIS, the OWEB effectiveness monitoring program has four primary objectives:

1. Continue programmatic evaluation of significant investments in groupings of past restoration actions;
2. Proactively establish unique effectiveness monitoring approaches for each of the existing partnership investments, as well as within the future Focused Investment Partnerships;
3. Develop a strategy for the Board to make discrete investments in effectiveness monitoring through open solicitation;
4. Over time, establish effectiveness monitoring within Operating Capacity Investments.

The focus of the balance of this report is on Objective 2 above.

III. Effectiveness Monitoring of Current Partnership Investments and future Focused Investment Partnerships

Over the last six months, staff have been working internally and also closely with Willamette and Deschutes SIP partners to learn more about the existing goals, strategies, activities and accomplishments of their programs to begin creating a mechanism for the Board to understand and describe the extent of progress made for these partnerships based on investment to date. The result of this work is a draft outline for effectiveness monitoring products for the

Willamette (Attachment A) and Deschutes (Attachment B) SIPs. The current outlines were developed in coordination with OWEB staff and SIP partners.

This work is also informing staff's development of processes and components for effectiveness monitoring of future Focused Investment Partnerships (FIPs). In both cases, the focus is on capturing programmatic lessons learned, overall investment and accomplishment information, and developing a high-level common platform for measuring progress as the Board designs its funding approach for FIPs.

Staff are seeking guidance and input from the Board to help refine what information would be most useful to better understand the investments in the SIPs and accomplishments to date and for establishing the content and direction of effectiveness monitoring of future FIPs.

IV. Equipment for DEQ's Volunteer Water Quality Monitoring Program

A core principle of the Oregon Plan for Salmon and Watersheds is the encouragement that natural resource agencies share expertise and resources. One way that DEQ and OWEB have practiced this principle revolves around water quality monitoring. Water-quality monitoring is the OWEB's second-largest monitoring investment area. Water quality is one of the most common goals embedded within restoration projects funded by OWEB and others.

Through the DEQ Volunteer Water Quality Monitoring Program (Volunteer Monitoring Program), the agency provides equipment, training, database support, quality-assurance development assistance and analytical assistance for locally-based groups such as watershed councils, soil and water conservation districts and others. OWEB relies on the services and expertise of this and other programs within DEQ to ensure that high-quality study designs, monitoring practices, appropriate tools, and sound data are embedded within monitoring grants the Board funds.

To ensure adequate resources are made available for this work, the OWEB Board has periodically supplemented funding for the Volunteer Monitoring Program. Over time, as equipment wears out, the Board has funded the purchase of equipment used by groups involved in the Volunteer Monitoring Program. This equipment enables local groups to expand the state's water-quality monitoring network, informing both local watershed and larger Oregon Plan needs. More than 50 groups from around the state have participated in this program to date. This level of participation has generated data from over 1,000 locations.

The monitoring conducted by watershed councils also is considered by DEQ to be an important contributor towards assessing the effectiveness of the State's Total Maximum Daily Load program, by allowing evaluation to occur at the local scale. This scale of evaluation cannot be achieved through statewide monitoring programs.

Funding Request

Additional funding in the amount of \$47,495 is required to maintain this service that DEQ provides to partner organizations. The current equipment needs identified by DEQ and associated costs are found in Attachment C. Additional information about the various categories of monitoring equipment is found in Attachment D.

V. Staff Recommendation

Staff recommend the Board provide \$47,495 in support of new and replacement equipment for the DEQ Volunteer Water Quality Monitoring Program, to be provided to locally-based groups in support of their monitoring projects and programs.

Attachments

- A. Outline of Willamette SIP Effectiveness Monitoring story
- B. Outline of Deschutes SIP Effectiveness Monitoring story
- C. DEQ Volunteer Water-Quality Monitoring Program equipment budget
- D. DEQ Volunteer Water-Quality Monitoring Program -- Additional equipment detail

Draft Outline-Willamette SIP Board Backgrounder

I. General Willamette SIP Introductory Context Statements (3-5 sentences)

The Willamette Special Investment Partnership (WSIP) is comprised of two separate, but related programs: the Mainstem Willamette and the Model Watershed (tributary) programs. The goal of the WSIP Mainstem Program is to establish a network of key habitats within the historic 100-year floodplain of the Willamette through: a) Increasing channel complexity and length, b) improving the connectivity of the river to its floodplain, and c) expanding and improving the health of floodplain forests. The Model Watershed Program's goal is to increase ecological resiliency within 13 of the mid and upper Willamette Basin tributary sub-watersheds. This goal would be obtained through enhancing riparian corridors and floodplains, increasing instream habitat values, and improving flows and water quality.

II. Composition of the Partnership

This SIP is structurally composed of agreements reached between a primary set of funding partners including OWEB, the Meyer Memorial Trust, the Bonneville Power Administration, and Bonneville Environmental Foundation. The funding is provided by and through the member organizations listed above to enable implementing practitioners (e.g., watershed councils, Soil and Water Conservation Districts, The Nature Conservancy, McKenzie River Trust, Greenbelt Land Trust, University of Oregon, Oregon State University, etc.) to carry-out projects on-the-ground thereby creating the second tier of the partnership. The third tier of this partnership consists of other implementing organizations and individuals (e.g., Oregon Department of Fish and Wildlife, Army Corps of Engineers, landowners, Aquatic Invasive Network, etc.) that leverage the investments and actions of the first two tiers creating a multiplier affect toward attaining the ecological goals listed above.

III. Inputs-Summary of Financial Contributions

- Table of funding provided
- OWEB funding
- Other funding
- Trends and fluctuations

IV. Outputs-Implementation Accomplishments

- Activities (projects) initiated/underway
- Table of projects
- Trends or areas of emphasis incl. Mainstem/tributaries
- Acquisition story
- Geographic distribution and diversity (and perhaps map, SLICES?)
- Priorities/Strategic approaches (acquisition/restoration balance)

Preliminary/Outcomes to Date

V. Ecological Benefits

- Willamette Confluence-TNC
- Willamette Retrospective Analysis of Riparian Plantings
- State of Willamette

Example of Success stories:

- Calapooia-Santiam high density plantings
- Benton WSCD efforts for invasives in Corvallis to Albany reach
- Willamette Confluence project with TNC
- Luckiamute multiphase riparian plantings and PE

VI. Societal (Community) Benefits

- Representation and identity given to Mainstem
- Experiential field learning (short-term)
- Strides in Landowner recruitment, relations
- 61% of grantees have increased staffing and capacity levels
- Landowner queue
- Socio-economic studies to apply to the Willamette SIP-nursery data from MMT

VII. Reflections (lessons learned)

- Funders perspective
 - Area of impact=align with funding needs
 - Balance of funding to other investment needs; more money may not translate 1:1 to accomplishment
 - Adaptive management yields results - riparian planting
 - Challenges - joint funders but loose knit practitioners, consistent reporting requirements
- Practitioner's perspective
 - Funding certainty for plant material orders
 - Investment in capacity and restoration platform (acquisition) needed in mainstem prior to increases in complexity and scale of restoration
 - New landowner in-roads takes time
 - Challenges to land trusts working on large scale acquisition projects
 - Need to share organizational resources

Draft Outline-Deschutes SIP Board Backgrounder

I. General Deschutes SIP Introductory Context Statements (3-5 sentences)

The goal of the Deschutes Special Investment Partnership (DSIP) is to restore the physical and biological conditions necessary to support self-sustaining populations of wild salmon and steelhead in the reintroduction areas of the Metolius River, Whychus Creek and the lower Crooked River within the Deschutes River basin. The specific implementation strategies used to attain the goal focus on ensuring improved streamflow, improving water quality, reducing fish entrainment while improving migration opportunities, and increasing and improving stream and floodplain habitats. Very specific objectives are established for each of the three geographic areas of focus. Some actions are unique to individual geographies while others occur in more than one of the basin focus areas.

II. Composition of the Partnership

This SIP is structurally composed on an agreement between OWEB, the primary funder, and the Implementation Partners consisting of the Upper Deschutes Watershed Council, Crooked River Watershed Council, Deschutes Land Trust, and the Deschutes River Conservancy. The implementation partners also have an agreement between themselves which informs the nature of the relationships and the mechanics of, within SIP, project funding prioritization and timing. The second tier of this SIP includes the use of funding from other partners including the Bonneville Environmental Foundation, Pelton General Fund, Pelton Water Fund, and the National Fish and Wildlife Foundation. The third tier of the partnership includes companion work conducted in parallel through other implementing organizations such as Oregon Department of Fish and Wildlife, Confederated Tribes of the Warm Springs, Portland General Electric, etc.

III. Inputs-Summary of Financial Contributions

- Table of funding provided
- OWEB funding
- Other funding
- Trends and fluctuations
- Limitations to contributions (geographic or otherwise that provides additional context)

IV. Outputs-Implementation Accomplishments

- Activities (projects) initiated/underway
- Table of projects
- Any trends or areas of emphasis
- Geographic distribution and diversity(and perhaps map)
- Priorities/Strategic approaches

Preliminary/Outcomes to Date

V. Ecological Benefits

- Water temperature
- Instream flows
- Macro-invertebrates
- Fish reintroductions
- Habitat improvements
- Re-connected habitats
- Thresholds and trends

VI. Community and Economic Benefits

- Exposure and Recognition in Communities (e.g., Camp Sherman, Sisters, Bend, Prineville, Redmond?)
- Creation of new and expansion of partnership with municipalities and others (e.g., Tribes, private business, NGOs)
- Examples: native plant nursery in Redmond, irrigation district investment in staff and equipment, reliable employment, Improvement in City of Prineville relationship leading to new revenue, Sisters voluntary riparian management guide, new restoration niche for contractors
- Calibration of investments and U of O economic study

VII. Reflections (lessons learned)

- Practitioner's perspective
- Organizational benefits
- Administrative efficiencies and benefits
- Accelerated Implementation
- Leveraged benefits
- Programmatic architectural observations and needs for future

Department of Environmental Quality-Volunteer Monitoring Program Equipment Needs

December 2014

Parameter	Item	Quantity	Unit Cost	Total Cost
Continuous Temperature Data Loggers				
	HOBO® Pro v2 Water Temperature Data Logger	30	\$125.00	\$3,750.00
	HOBO® Pro v2 Water Temperature Data Logger- Replace	40	\$80.00	\$3,200.00
	HOBO® Pro v2 Water Temperature Data Logger Base	3	\$125.00	\$375.00
				subtotal= \$7,325.00
Continuous Dissolved Oxygen Data Loggers				
	DO/Temp Datalogger	10	\$1,250.00	\$12,500.00
	HOBOWare® Pro for Windows	2	\$100.00	\$200.00
	HOBO® Logger Base	2	\$125.00	\$250.00
				subtotal= \$12,950.00
Fecal Bacteria Testing Equipment				
	Idexx Quanti-Tray Sealer and insert	1	\$4,000.00	\$4,000.00
	Incubator BINDER Microbiological Incubators, BD 53	1	\$1,500.00	\$1,500.00
	UV lamp WL160,6 WATT FLUOR LAMP	1	\$150.00	\$150.00
	WCM10 UV VIEWING CABINET	1	\$220.00	\$220.00
				subtotal= \$5,870.00
Water Quality Meter- Measures DO, Cond/Salinity, Temp, pH				
	In-Situ smarTROLL MP handheld water quality meter bundle, 5 ft. cable	3	\$3,000.00	\$9,000.00
	In-Situ smarTROLL MP handheld water quality meter bundle, 100 ft. cable	2	\$3,350.00	\$6,700.00
	In-Situ smarTROLL Mobile Device (blue tooth meter interface, data logging)	5	\$500.00	\$2,500.00
				subtotal= \$18,200.00
Turbidity meter				
	HACH Turbidimeter 2100Q	3	\$1,050.00	\$3,150.00
				subtotal= \$3,150.00
			Grand Total =	\$47,495.00

Further Description: Department of Environmental Quality-Volunteer Monitoring Program Equipment Needs

- **Continuous temperature** data loggers continue to be in demand by organizations prioritizing and tracking watershed restoration programs. The temperature data loggers generally have a 5 year lifespan due to battery limitations and mechanical breakdown of the logger body. The funding for 70 loggers (30 new and 40 replacing old loggers eligible for discounted replacement) would replace loggers purchased in 2008 and 2009 by the DEQ volunteer program, following the last approval of funding from the OWEB Board. Funding for additional logger base stations for downloading and programming loggers is also requested to satisfy an existing need so that it would no longer be necessary for local groups to rely entirely on DEQ staff to downloading and programming the loggers.
- **Continuous dissolved oxygen** data loggers allow for unattended continuous monitoring of this diurnally fluctuating parameter. Local watershed-based groups have been limited in their ability to define dissolved oxygen impairments due to logistical limitations with traditional grab samples but recent improvements in DO sensor technology make continuous monitoring more practical. Groups across the state have expressed an interest in doing this monitoring and DEQ also needs this data for TMDL development and implementation activities.
- **Fecal bacteria** monitoring continues to be a highly successful element of the volunteer monitoring program. The Idexx equipment used in this type of monitoring is relatively expensive but has proven to be reliable method and provides valuable information to partner organizations and DEQ. These funds requested will expand existing capacity allowing for monitoring in new areas of the state.
- **Water quality meters** measure basic water quality parameters of temperature, conductivity, salinity, dissolved oxygen and pH. Historically, DEQ has purchased separate meters for each of the parameters and supported a modification of the Winkler wet chemical analysis for dissolved oxygen provided by Hach. More recently however, issues of data quality have been proven when using this method. And, in cases where more intense monitoring is conducted, the small, per-sample cost savings is not sufficient justification to continuing the use of the method. Using new optical dissolved oxygen sensors improves data quality and reliability, as well as, providing significant time savings in the field. The meters listed in the budget will assist in the transition of the DEQ program from using the Hach DO method to the optical DO method. The result will be collection of high quality data and additional support for some new and expanding monitoring programs.
- **Turbidity meters** funds will be used to replace meters that were purchased more than ten years ago that have started to fail.



Oregon

John A. Kitzhaber, MD, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Renee Davis, Deputy Director
Juniper Davis, Partnerships Coordinator

SUBJECT: **Agenda Item G: Conservation Reserve Enhancement Program Technical Assistance (CREP TA) – Approval to Receive Program Funding January 27-28, 2015 OWEB Board Meeting**

I. Introduction

This report updates the Board on Oregon's investment in Technical Assistance (TA) for the Conservation Reserve Enhancement Program (CREP), and requests Board approval to accept \$100,000 in additional funding for the program from the Natural Resources Conservation Service (NRCS).

II. Background

CREP is a voluntary program for agricultural landowners. The unique state and federal partnership allows landowners to receive incentive payments and conservation rental payments from the Farm Services Agency (FSA) for establishing long-term, riparian buffers on eligible land. The Oregon CREP was developed initially to address listed salmon streams; the program was later modified to assist in addressing stream water-quality issues (primarily temperature).

The Oregon CREP Agreement requires Oregon to pay for 20 percent of the overall program costs. CREP uses state funding for partial payment (25 percent) of all conservation activities (e.g., fencing, off-stream watering, site preparation, plant materials, planting). In addition to the direct landowner payments for conservation activities, OWEB provides funding for outreach, technical assistance, and program coordination. In recent years, NRCS has also provided funding through OWEB to support this work.

In federal fiscal year 2014, Oregon CREP was successful in enrolling 2,487 acres in the program, resulting in a total of over 42,000 acres enrolled over the lifetime of the program in Oregon.

III. CREP Technical Assistance and Associated Funding

CREP is managed by a multi-agency/organizational partnership. In addition to OWEB and FSA, the CREP partnership in Oregon includes NRCS, Oregon Association of Conservation Districts, and the Oregon Departments of Agriculture and Forestry.

Beginning in the 2011-13 biennium, OWEB partnered with NRCS to provide just over \$1 million in TA for CREP as a competitive grant offering. This offering was implemented because the partnership recognized the program is most successful in those areas with a dedicated CREP TA

provider. Grants have been provided to provide direct TA to landowners interested in signing up for the program, along with critical coordination between landowners and the federal and state agencies responsible for managing the program.

In 2013, the partnership arranged for extensive CREP training, which included both technical and policy guidance, for all technicians, foresters and other employees associated with CREP projects to ensure that the program is implemented effectively at all levels. The training was well attended and positively reviewed by participants.

At the June 2013 OWEB Board meeting, the Board approved a spending plan that set aside \$750,000 for CREP TA. NRCS committed \$150,000 in match funding to the program. The Director then awarded eleven grants to CREP programs across the state, covering 22 counties. These grants are two years in duration and are set to expire December 31, 2015.

On September 17, 2014, NRCS notified OWEB that it would provide an additional \$100,000 to the CREP TA program to address unmet needs including: updated trainings in conservation practice implementation; resources and coordination to provide for cultural resource reviews of pending projects, grant program development; and capacity to extend technical assistance into new service areas.

IV. Recommendation

Staff request the Board approve receipt of \$100,000 in supplemental funding from the NRCS to support CREP and improve the local delivery of CREP in Oregon, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements, with an award date of January 28, 2015 to be used for any grant agreement(s).



Oregon

John A. Kitzhaber, MD, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Meta Loftsgaarden, Executive Director

SUBJECT: **Agenda Item H: Willamette Riparian Initiative and Governor's Clean Water Partnership**
January 27-28, 2015 OWEB Board Meeting

I. Introduction

This report provides a summary of the Governor's Clean Water Partnership, identifies early implementation roles involving OWEB, and requests the Board consider \$150,000 in support of technical assistance for the Willamette Riparian Initiative.

II. Clean Water Partnership

The Governor, as part of his recommended budget, proposes \$6 million in a coordinated investment to complete new tools to quantify clean water successes and trends, and direct existing federal and state conservation funding to areas where it will result in the greatest water quality and watershed health improvements. This initiative also enhances market-based approaches that avoid costly investment in water and wastewater treatment systems by creating markets for conservation improvements in Oregon's watersheds. The Clean Water Partnership includes a number of coordinated components from agencies including OWEB, and the departments of Agriculture, Environmental Quality, Forestry, Fish and Wildlife and Water Resources. Staff from all agencies have been working together with the Governor's office to design the coordinated approach.

III. Willamette Riparian Initiative

At the same time components of the Clean Water Partnership were being formalized in preparation for release of the Governor's Recommended Budget in late 2014, the Governor's Office asked OWEB to convene a number of local organizations in the Willamette Valley to discuss whether it was worthwhile to submit a Regional Conservation Partnership Program (RCPP) proposal through the Natural Resources Conservation Service. Because of the variety of investment types existing in the Willamette and unforeseen restrictions with the RCPP program, it was ultimately determined that the RCPP requirements would not fit the size of program envisioned by this collection of organizations. However, this first meeting started a dialogue about the common elements needed for a successful voluntary, local riparian conservation program, and resulted in the creation of the Willamette Riparian Initiative group.

OWEB convened a formal meeting with these and additional local implementers and other partners in October 2014. Here, the participants identified initial components and steps for

development of a local riparian program and, more specifically, funding sources that support riparian work and the varied availability of these funding sources across the counties and tributaries to the Willamette River. This information was provided to the Governor's Office as a part of their deliberations.

As a part of their deliberations, local implementers involved in the Willamette Riparian Initiative identified the need for a landowner work group to help identify barriers and opportunities to increasing participation in riparian conservation projects in the Willamette. Staff are following up with agricultural organizations to identify prospective members of this group.

IV. Funding Request

To support the combined efforts of the Clean Water Partnership and the Willamette Riparian Initiative, the Governor's office is requesting \$150,000 from the Oregon Plan/Governor's Priorities line item in the 2013-2015 spending plan. In a similar fashion as the framework established to support sage-grouse conservation efforts in eastern Oregon, this funding will help to build a comprehensive framework that will directly support implementation of riparian conservation projects and associated monitoring in the Willamette Valley.

While the program will begin in the Willamette, the goal is to develop a framework that can be utilized in other basins across the state to expand broad-scale, voluntary riparian conservation across farm, forest and ranchlands around the state.

V. Recommendation

Staff request the Board consider a \$150,000 grant from the Oregon Plan/Governor's Priorities spending plan line item to support implementation of the framework outlined in Section IV of this staff report, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements, with an award date of January 28, 2015 to be used for any grant agreement(s). Funds will be used to develop the program's architecture, coordinate the various work groups, and ultimately develop an implementation-ready approach to broad-scale riparian restoration work in the Willamette.



Oregon

John A. Kitzhaber, MD, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item I: Sage-Grouse Conservation (SageCon) Update
January 27-28, 2015 OWEB Board Meeting**

I. Introduction

This report provides an update of the SageCon Partnership and ongoing implementation work related to sage-steppe habitat conservation. The Governor's office will provide a SageCon update at the meeting to supplement the background provided in this report.

II. Background

Governor Kitzhaber's Natural Resources Office is working with landowners, counties, state and federal agencies and non-profit organizations to develop a comprehensive plan that, when combined with updated Bureau of Land Management (BLM) Resource Management plans, will maintain and improve sage-grouse populations and habitat in Oregon. The short-term objective of the state's planning effort is to inform the U.S. Fish and Wildlife Service (USFWS)'s listing decision under the Endangered Species Act (ESA) in 2015. The Governor's long-term goal is to protect and restore sage-grouse populations and the ecological health of lands across southeast Oregon and other areas of the state and, in so doing, promote the stability and vitality of rural communities and economies. This goal would be accomplished through a planning framework that protects key habitat, undertakes priority conservation actions tied to key sage-grouse and habitat threats, and advances responsible stewardship that generates and allows for economic use and development of lands vital to healthy rural communities.

While the Continuing Resolution passed by Congress and signed by the President in December 2014 precludes the USFWS from expending funds on a listing decision for Greater Sage-Grouse under the federal ESA, work continues to develop the plan in anticipation of a 2016 decision.

Sage-grouse and their habitat cover nearly 25 percent of the state's land area in southeast, central and northeastern Oregon, in addition to extensive areas across many other western states. As a result, this listing decision and the subsequent related actions and obligations have the potential to impact land uses and management practices in Oregon at a scale similar to the actions related to salmon in the 1990s.

OWEB has a vested interest in sage-grouse, their habitat, and associated rural communities. The habitat area spans three OWEB regions and has been a major focus of watershed restoration investments for the Board. The area comprises large tracts of private, state, and federal lands. Over the years, numerous watershed projects funded by OWEB on private lands

have been designed to enhance sage-grouse habitat. Other projects have been conducted in conjunction with federal land managers with the same purpose in mind.

III. Current Status of the State's Planning Effort

A team of partners including Portland State University, Oregon State University/Institute for Natural Resources, The Nature Conservancy, the Governor's Office, state and federal agencies, and myriad local partners and contractors have been moving forward with the effort to complete the State of Oregon's All-Lands, All-Threats Approach to Sage-Grouse Habitat Protection. The SageCon effort has involved county commissioners and judges, county planning departments, state and federal agencies, landowners and a variety of non-profit organizations. Development of the State's plan and coordination with federal planning efforts is part of the SageCon effort.

The Board has provided \$650,000 in funding for SageCon since early 2013. Since that time, a number of significant accomplishments have been made. The Governor's Office will report at the January Board meeting on the current status of the state's planning efforts and local implementation accomplishments to date.

IV. Recommendation

This is an information item only. No action is requested.

January 27-28, 2015 OWEB Board Meeting

Executive Director Update #J-1: Long-Term Investment Strategy Update

Last year, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. This report updates the Board on the numerous tasks undertaken associated with the LTIS.

Background

As a result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. From that point forward, OWEB has been reviewing and updating its priorities, policies, programs and practices with the purpose of best positioning the agency as an effective and successful long-term funder of conservation in Oregon.

In June of 2013, the OWEB Board approved its Long Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring. The LTIS is nested within the agency's mission and strategic plan goals, and touches on nearly all aspects of OWEB's responsibilities.

In carrying out work to implement the LTIS, OWEB set out guiding principles about how the agency would approach updates and changes in programs. Overall, the effort has involved significant engagement of the OWEB Board and staff, as well as stakeholders. OWEB's mission, strategic plan goals, a summary of the LTIS framework and direction, and the guiding principles are included in Attachment A.

The LTIS implementation items listed below involve a considerable amount of work for OWEB staff above and beyond the typical workload. Staff's goal is to carry out these efforts without diminishing the quality of services our stakeholders regularly expect from the agency. Toward that end, OWEB managers have been meeting regularly to coordinate activities and position the agency to make as much progress as possible over the biennium. In addition, OWEB is utilizing internal cross-sectional teams for many of these tasks to ensure we have the expertise needed to inform our direction on policies and processes.

Status of Priority Work Items

The following lists the priority work items for OWEB during the 2013-2015 biennium:

- A. *Develop online grant applications and grant agreements.* OWEB's goal is to improve effectiveness and efficiency of the agency's grant-making processes for applicants, grantees and OWEB staff. OWEB's target is to launch an online grant application/grant agreement web interface during the 2015-2017 biennium.
 1. Grant application streamlining – In Summer 2014, the agency's Leadership Team approved streamlined applications for restoration, technical assistance and monitoring grants, which will replace the current applications when online applications are implemented. Work is underway on streamlining the outreach grant application. As the streamlined applications begin to be tested in the online system, refinements will continue.
 2. Online system development – Design and early construction of the components of the online system are underway. OWEB information-system staff have developed the initial schema for the system and now are developing an early version (i.e., a first "alpha" version) of the system. The system is being developed in a way that will support

important reporting requirements to funders such as NOAA Fisheries and to the Legislature, stakeholders and the general public.

An internal project team has convened several times to address the needs of applicants, staff and reviewers regarding functionality and usability. While the alpha version of the system is in development, the team is working on guidance to assist users and content for the grant-agreement templates that will be incorporated into the system. The online project team is working in close coordination with the Continuous Improvement team (see Item B below) to ensure that the two processes mutually inform and support one another, maximizing delivery of effective, efficient and high-quality service to OWEB customers.

An external stakeholder group is also advising the project. The group met for the first time in November of 2014 and reviewed system functionality and usability. This group will be involved in multiple phases of review, testing and refinement of the online system, which is scheduled to begin in February 2015. Review and testing by OWEB stakeholders is critical to ensure that the system works for applicants, grantees, reviewers and OWEB staff. The online system is anticipated to launch for the October 2016 grant cycle.

- B. Continuous Improvement.* The OWEB Leadership Team has adopted continuous improvement (CI) as a core OWEB value and business practice. Goals include creating value for OWEB's customers and improving quality of the service OWEB provides. Improvements are achieved by engaging cross-section teams of staff in systematic and data-driven analysis of business processes. As appropriate, the agency also involves applicants, review team members and other customers. The Leadership Team initiated CI in the Regular Grant Program, beginning with the application and review processes to inform design and build of online applications.

September 2014 Workshop – Application Submissions

An OWEB staff team completed initial recommendations in September and began to implement process improvements in a phased approach that will continue through future grant cycles.

The goals of process changes recommended by the team were to:

- Improve application quality, completeness, and accuracy that leads to applicant success, higher value use of reviewer and OWEB staff time, and measurable watershed improvements;
- Save time and costs for applicants, reviewers, and OWEB staff by eliminating unnecessary process steps and increasing process efficiencies; and
- Increase diversity of expertise and participation in RRT meetings, resulting in objective, fair, and consistent evaluations and recommendations to OWEB staff.

Attachment B depicts the team's recommendations for two tracks: A) before online applications and B) after online applications.

As an initial step, for the October 2014 grant cycle, OWEB accepted PDF applications by email for the first time. Applicants overwhelmingly supported this change; 83% of applications were submitted by email. Data tracking showed that it takes OWEB 19 minutes on average to process one paper application, while it takes an average of 8 minutes to process one PDF application. OWEB plans to accept only PDF applications and send only CDs of applications to reviewers for

the April 2015 cycle unless there is a specific business reason a reviewer cannot use CDs. Currently, 64% of reviewers currently receive only CDs of applications.

December 2014 Workshop – Pre-Applications

A Proposal Development Team including reviewers and an OWEB applicant recommended a new proposal development process to improve the quality, completeness, and accuracy of submitted applications, leading to applicant success, higher value use of reviewer and OWEB staff time, and measurable watershed improvements.

Attachment C depicts the team’s recommendations. Details will be developed over the coming year and phased in to allow adjustment by applicants and OWEB staff.

April 2015 Workshop – Application Review

OWEB is planning an Application Review Workshop for April 2015 to improve the application review process. Staff is interested in Board feedback to inform this workshop. Staff intend to include questions related to application reviews as a part of a survey to be sent to the Board prior to the April Board meeting

Future Grant Program Process Improvements

Following completion of the Application and Review Workshops, future staff teams will assess and develop improvements for other Regular Grant Program processes (for example, grant awards, grant agreements, and grant management). The teams’ recommendations will also inform other OWEB grant programs.

C. Outcome-Based Watershed Council Capacity Grants.

In July 2014, the Board adopted administrative rules and implementation guidance for grants that help support the operating capacity of effective watershed councils. Following the Board meeting, OWEB staff continued to communicate with councils about the changes, including sending a second eligibility checklist in August 2014, and attending 39 council board meetings. On September 15, 2014, OWEB e-mailed and posted instructions for submitting materials needed for OWEB to make its determination of eligibility to apply. Forty councils contacted OWEB staff with general and specific questions about council documents including bylaws, policies, and local government recognition of the council.

Up to 64 watershed councils could have submitted eligibility materials. Fifty-nine councils submitted by the deadline.

The following councils did not submit eligibility materials:

- Bear Creek, Little Butte Creek, and Stream Restoration of the Middle Rogue. These three councils will be merged into the newly formed Rogue River Watershed Council. The Upper Rogue Watershed Association submitted eligibility materials on behalf of the Rogue River Watershed Council, which becomes effective January 1, 2015.
- Pudding River Basin Watershed Council.
- Salem Keizer Area Watershed Councils.

OWEB staff reviewed the uploaded materials for “presence/absence,” not for quality. The merit review occurs after eligible councils submit their online applications, due March 2, 2015.

Of the 59 councils that submitted eligibility materials:

- Thirty-five were determined to be eligible and received an e-mail on December 15, 2014.
- Fifteen are conditionally eligible, but need to submit action plan or local government recognition documentation by May 1, 2015. They received an e-mail and letter dated December 15, 2014.
- Eight were determined ineligible. On December 15, 2014, these councils received phone calls and e-mails explaining the reasons for this determination, and how they can appeal. Letters were also sent to the council coordinators and chairs.

The most common reasons councils were not eligible are summarized below:

1. The council did not submit copies of council minutes or cover page signed by the governing body chair or secretary showing the council's governing body adopted the bylaws and/or the policies and procedures, and the date adopted.
2. The council's bylaws and/or policies and procedures uploaded into OGMS did not cover all required topics, and had not been updated within the last 14 months. By not updating these documents, the council did not show intent to meet the eligibility criteria (See page 8, Implementation Guidance).

The most commonly missing topics were:

1. A list of the geographic areas and community interests the council intends to include on its governing body in order to engage a balance of interested and affected persons within the watershed pursuant to ORS 541.910(2).
2. A policy that the council operates as an open and inclusive organization. The policy shall include at a minimum the following elements: Inviting the public to council meetings, and the council, upon request, provides the public with meeting agendas and records of decisions. This does not include personnel discussions and actions.

These policies and proof of governing body adoption are important because OWEB expects councils receiving public funds to have policies in place for best-practice business operations that are open and inclusive and promote the balance of interests and citizen involvement required by Oregon statutes.

Applicants may provide OWEB with missing criteria through the appeal process. Appeal materials must be received by OWEB by 5:00 pm, January 20, 2015. Late appeals will not be considered. OWEB's Director will review the letter and any attached information. The appeal will be granted only where the Director determines the council provided clear and convincing evidence that OWEB staff's determination was inaccurate based on errors of fact. Councils will be notified of the results of their appeal no later than the first week of February 2015.

Staff Contact

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180.

Attachments

- A. OWEB Strategic Direction & Principles
- B. Future Regular Grant Application and Review Process
- C. Future Regular Grant Proposal Development Process



OWEB Strategic Direction and Principles

OWEB **OWEB's Mission:** To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Goals

Goals from OWEB's 2010 Strategic Plan

In 2010, the OWEB Board approved a strategic plan with five goals. With the passage of Constitutional Measure 76 and permanent Lottery funding, the Board continues to operate under the strategy.

Goal 1: Adaptive Investment

Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

Goal 2: Local Infrastructure Development

Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Goal 3: Public Awareness and Involvement

Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Goal 4: Partnership Development

Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations, and private landowners for watershed and habitat restoration and conservation.

Goal 5: Efficient and Accountable Administration

Ensure efficient and accountable administration of all investments.

Long-Term Investment Strategy

OWEB's Framework for Grant Investments

In 2013, the Board adopted a Long-Term Investment Strategy that guides its investments of Lottery, federal and salmon plate funding. All of OWEB's investments in ecological outcomes also help build communities and support the local economy. The Board also approved a direction for the investments outlined below. They will continue operating capacity and open solicitation grants and continue focused investments with a gradual increase over time.

Operating Capacity

Operating Capacity Investments support the operating costs of effective watershed councils and soil and water conservation districts. Councils and districts are specifically identified in OWEB's statutes.

Open Solicitation

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

Focused Investments

OWEB helps landscape-scale collaborative partnerships achieve collaboratively prioritized ecological outcomes.

Effectiveness Monitoring

OWEB evaluates and reports on the progress and outcomes of watershed work it supports.



Guiding Principles

Guiding Principles

As the Board developed the Investment Strategy, they did so under established principles for how any changes in OWEB's programs would operate.

Build on accomplishments. The commitment and work of our local partners have resulted in a nationally and internationally recognized approach with unmatched environmental accomplishments. OWEB will build on this foundation.

Effective communication. OWEB is committed to active, two-way communication of ideas, priorities, and results with its staff, partners, potential partners, and the public as a means for developing and maintaining a strong investment strategy and successful cooperative conservation.

Transparency. OWEB values transparency and develops its Long-Term Investment Strategy through an open, transparent process that involves input and dialogue with stakeholders and staff.

Maximize service, minimize disruption. The Board considers how OWEB's grant portfolio impacts partner organizations and staff resources to maximize effectiveness without adversely affecting service delivery.

Responsive. The Long-Term Investment Strategy will adjust to changes in revenue and be responsive to changes in ecological priorities from the Governor, Legislature, the Board, and local partners.

Adapt based on monitoring and evaluation. OWEB's staff and Board monitor and evaluate the effectiveness and implementation of the Long-Term Investment Strategy. The Board shall adapt and modify the strategy as needed to meet its desired goals and outcomes and to improve overall investment success.

Phase-in Change. OWEB's Long-Term Investment Strategy will guide future efforts, is designed to accommodate changes and adjustments made by stakeholders and OWEB staff, and will be periodically revisited.

Operating Principles

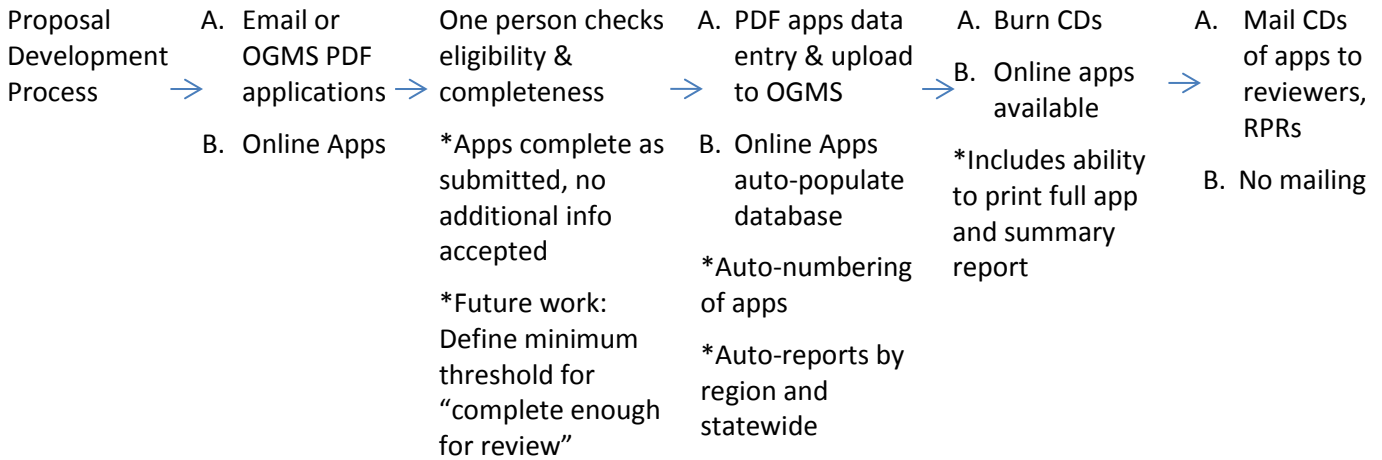
Operating Principles to Enhance OWEB Team Work

We will do all we can, individually and as a group, to:

- **Use Good communication--at all levels and in all directions;**
- **Operate with a Team approach;**
- **Follow through on conversations in order to build and maintain needed trust;**
- **Empower staff wherever it is appropriate to do so; and**
- **Have fun while doing important work!**

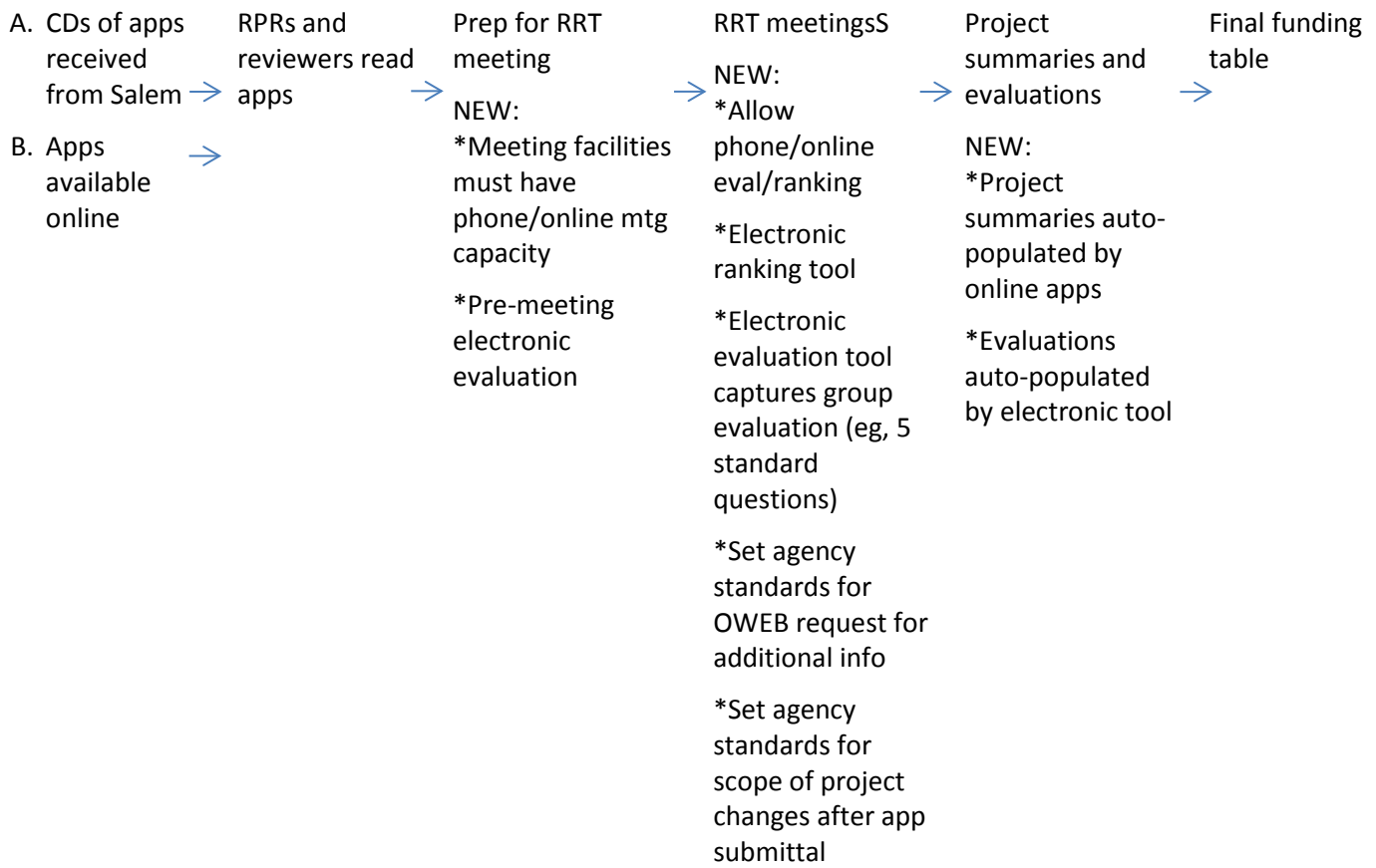
FUTURE APPLICATION PROCESS – REGULAR GRANT PROGRAM

Changes will be phased in over three or more grant cycles. We will track data, problems, and successes. We will use what we learn to make adjustments and continue to improve.



FUTURE REVIEW PROCESS – REGULAR GRANT PROGRAM

Changes will be phased in over three or more grant cycles. We will track data, problems, and successes. We will use what we learn to make adjustments and continue to improve.



FUTURE PROPOSAL DEVELOPMENT PROCESS – REGULAR GRANT PROGRAM

Key points discussed by team:

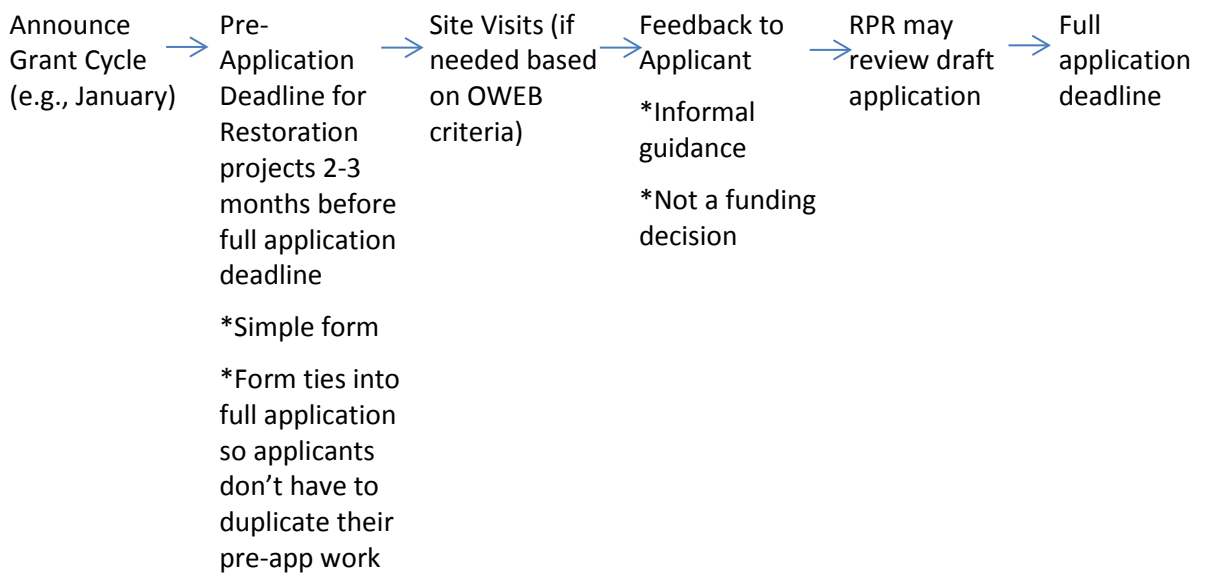
- Early 2-way communication with RPRs so they know what is coming.
- Asking questions early and earlier site visits provides more opportunity for OWEB staff to consult potential applicants, resulting in better applications.
- Advanced expectations about what projects are fundable.
- Applicants don't proceed to full application with "non-ripe" or technically flawed projects.
- Reduce compressed discussion and application changes during Regional Review Team process.
- Focus reviewer time on priority ranking for ecological uplift instead of problems with applications.

Follow up work is needed to determine details. Changes will be phased in over time. We will track data, problems, and successes. We will use what we learn to make adjustments and continue to improve.

Ongoing

Applicant Workshops and Training
 Informal Consultation with OWEB staff
 Engage Reviewers

Proposal Development Process



January 27-28, 2015 OWEB Board Meeting

Executive Director Update #J-2: Budget and Legislative Update

This update describes budget preparations for the 2015 legislative session and budget proposal ideas that were included in the Agency Request Budget and Governor's Recommended Budget. This report also summarizes preparations for the upcoming 2015 session.

Background -- Budget Preparations for the 2015 Legislative Session

The Oregon Legislature approves budgets for state agencies on a biennial basis. In preparing for the next biennium, budgets are structured so that each agency's current (or "base") budget is recalibrated and submitted without need for specific policy description or justification. Budgets are based on revenue availability and shifting agency or Governor's priorities, and these shifts can be proposed in what is called "current service level." Any resources requested to be added to the base budget by agencies must be identified separately with full policy narratives and justification of funds requested. The requested additions to an agency's base budget are called Policy Option Packages, or 'POPs.'

The Governor provides instructions to guide agency development of POPs. In March 2014, Governor Kitzhaber initiated the process for state agencies to prepare budget proposals for the 2015-2017 biennium. That effort continued aspects of the Governor's 10-Year Plan for Oregon that was initiated in advance of the 2013 legislative session. Governor Kitzhaber launched the 10-Year Plan as a way to redesign how state government builds its budget and makes investment decisions. It seeks to better position the two-year budget process to achieve long-term outcomes. The 10-Year Plan organizes the state budget into five major outcome areas— Education, Healthy People, Economy and Jobs, Healthy Environment, and Safety. State agency budget programs are considered within the context of the appropriate outcome area. OWEB's budget is placed entirely within the Healthy Environment outcome area.

Agencies submitted their Agency Request Budgets (ARB) to the Governor and the Department of Administrative Services (DAS) during summer of 2014. Staff presented the POPs contained in the ARB to the Board at the July Board meeting, and discussed these again at the October meeting.

The Governor's Recommended Budget and Next Steps

The Governor's Office now has finalized the Governor's state budget recommendations, known as the Governor's Recommended Budget (GRB). This budget proposal includes agency POPs that reflect the Governor's priorities and initiatives. The GRB is the starting point for agency budget discussions at legislative hearings. During the session, agencies may advocate for their individual POPs only to the extent that they are included in the GRB.

Attachment A contains a brief summary of the OWEB's budget. OWEB's budget contains connections to two key Governor's initiatives: the Clean Water Partnership and Working Forests and Farms. Additional information about the GRB as it relates to OWEB will be presented at the January Board meeting.

In February of 2015, the Legislature convenes to consider Governor's Recommended Budget and initiate the legislative budget development process. The first phase of the budgeting process—agency budget presentations during legislative hearings—occurs between early February and late March/early April. As needed, additional discussion of budgetary issues may

occur through early May. Work sessions with the Natural Resources Subcommittee of the Ways and Means Committee may occur anytime after agency budget hearings are completed.

2014-2015 Interim and Preparation for the 2015 Legislative Session

Organizational Legislative Days were held in December 2014. During this time, policy committees held informational hearings, and staff met with a subset of legislators to discuss Salmon Plate revenues and OWEB's investments over time. Final Legislative Days will be held January 12-14, 2015.

The 2015 Legislative session begins on February 2, 2015. Following the November 2014 election, both the Senate and House are controlled by the Democrats. Peter Courtney remains as Senate President and Tina Kotek as House Speaker. Attachment B includes a list of relevant natural resources committees (including chairs and members).

Staff will work with the Legislature during session to address agency POPs, additional GRB components and any requests associated with the use of Salmon Plate revenues. In addition to the agency POPs included in the Governor's Clean Water Partnership initiative referenced above, currently the only legislative concept that directly impacts OWEB relates to Working Forest and Farms. SB 204 would authorize three new finance tools: 1) A state loan guarantee program that gives working forest and farm borrowers access to private capital to refinance or acquire working land; 2) A revolving loan fund that allows access to credit tied to the biological and financial capacities of the land; and 3) A conservation fund that allows buyers to access grants for acquisitions where timber and/or agriculture uses are maintained and conservation benefits can be achieved. If approved, OWEB would manage the conservation fund. Staff will update the Board at the January meeting about this and any other potential concepts that are of relevance to the agency.

Staff Contact

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180, or Eric Hartstein, Senior Policy Coordinator at eric.hartstein@state.or.us or 503-986-0029.

Attachment

- A. OWEB GRB Summary
- B. List of relevant natural resources legislative committees



OREGON WATERSHED ENHANCEMENT BOARD

2015-2017 GOVERNOR'S BUDGET

	2013-2015 Legislatively Approved Budget	2015-2017 Governor's Budget
General Fund	\$0	\$0
Lottery Funds	\$58,227,336	\$59,963,820
Other Funds	\$1,852,224	\$17,921,067
Federal Funds	\$32,817,029	\$37,339,587
Total Funds	\$92,896,589	\$115,224,474
Full-Time Equivalent (FTE)	32.00	35.50

2013–2015 Critical Budget Issues

Program Continuity – Provides capacity to effectively deliver grants, manage operations of 17-member board and stay abreast of emerging funding opportunities while reporting accomplishments of OWEB investments.

- NRS4 – BPA-Willamette Partnership Coordinator (FF: PCSRF/BPA). Manages the work associated with a federal grant application submitted to the Bonneville Power Administration.
- NRS4 – Senior Partnership Coordinator (FF: PCSRF). Manages four current programs: the Upper Deschutes Special Investment Partnership, the Coastal Wetlands Grant program, the Conservation Reserve Enhancement Program's technical assistance work, and the Coastal Coho Business planning.
- AS2 – Website, Graphics and Administrative Support (Other/FF: PCSRF). Maintains agency's website, produces agency materials, and provides administrative support to the Focused Investment and Partnerships programs.
- Office Rent (FF: PCSRF). Biennial rent, Region 4, to share office space with Water Resources Department in Bend.
- Contracted Services (FF: PCSRF). In lieu of hiring additional permanent staff, for continuous improvement and long-term protection implementation, as certain work products and functions are most efficiently accomplished through personal services contracts.

Program Enhancement – Provides support to effectively deliver programs while remaining on the cutting edge of new investments and partnerships that will increase ecological, economic and social benefits for Oregon.

- Conservation Outcomes Coordinator (LF: Ops). Limited duration, measures and reports on ecological, economical, and social outcomes resulting from OWEB grant investments at the landscape level. Coordinates with various agencies and stakeholders to implement the Conservation Effectiveness Partnership and to develop metrics and evaluation methods.
- Conservation Outcomes Specialist (FF: PCSRF). Limited duration, measures and reports on ecological, economic, and social outcomes resulting from OWEB grant investments at the landscape level with a specific focus on salmon habitat and recovery activities across the state.
- Federal Forest Health Grant Administration (Other). Limited support and duration, continues grant management of Federal Forest Health program.
- Grant Program Analyst (LF: Ops). Limited duration, assists with routine grant and administrative processing workload thus allowing grant managers to spend more time in the field.
- Independent Multidisciplinary Science Team (LF: Ops/FF: PCSRF). Removes funding for IMST in anticipation of legislation replacing with a special payment to the Oregon Science Academy.

Analyst Adjustments – Increases ODFW PCSRF FF special payment by \$296,000.

Carry Forward – This policy package proposes to extend expenditure limitation for non-lottery fund grants that have been awarded and continue to be active. This will allow funds for these grants to be expended in the 2015-2017 biennium.

Lottery Funds: Measure 76 Grant Funds – This policy package provides the budget vehicle for Measure 76 grant funds, which are the primary source of grant funds for OWEB and are used to support a wide variety of grants, including watershed council and soil and water conservation district capacity, restoration, acquisition, technical assistance, monitoring and outreach. At this time, over \$53 million in M76 grant funds are anticipated for next biennium.

Additional Grant Funds – This policy package would allow OWEB to receive and allocate funds, should additional funds be appropriated by the Legislature for the following purposes in 2015-2017: 1) \$2.9 million (FF: PCSRF) to the Oregon Department of Fish and Wildlife; 2) \$2.3 million (OF) for grants to forest collaboratives under the State's Federal Forest Health Program; and 3) \$13 million (OF) for the Governor's Working Forests and Farms initiative. Staff anticipate up to \$2 million General Obligation Bond additional expenditure limitation will be needed for the initiative.

2015 Oregon Legislature – OWEB-Related Committee Assignments

Senate Environment and Natural Resources Committee

Member	District	Area (Basin)
Sen. Chris Edwards, Chair (D)	7	Eugene (Willamette)
Sen. Alan Olsen, Vice-Chair (R)	20	Canby (Willamette)
Sen. Michael Dembrow (D)	23	Portland (Willamette)
Sen. Floyd Prozanski (D)	4	South Lane and North Douglas Counties (Willamette/Umpqua)
Sen. Chuck Thomsen (R)	26	Hood River (Hood River)

House Agriculture and Natural Resources Committee

Member	District	Area (Basin)
Rep. Brad Witt, Chair (D)	31	Clatskanie (Lower Columbia)
Rep. Wayne Krieger, Vice Chair (R)	1	Gold Beach (South Coast)
Rep. Susan McLain, Vice Chair (D)	29	Hillsboro (Willamette)
Rep. Greg Barreto (R)	58	Pendleton (Umatilla)
Rep. Sal Esquivel (R)	6	Medford (Rogue)
Rep. Lew Frederick (D)	43	Portland (Willamette)
Rep. Chris Gorsek (D)	49	Troutdale (Sandy)
Rep. Caddy McKeown (D)	9	Coos Bay (South Coast)
Rep. Gail Whitsett (R)	56	Klamath Falls (Klamath)

House Energy and Environment Committee

Member	District	Area (Basin)
Rep. Jessica Vega Pederson, Chair (D)	47	Portland (Willamette)
Rep. Jeff Reardon, Vice Chair (D)	48	Happy Valley (Willamette)
Rep. Mark Johnson, Vice Chair (R)	52	Hood River (Hood River)
Rep. Cliff Bentz (R)	60	Ontario (Owyhee-Malheur)
Rep. Deborah Boone (D)	32	Cannon Beach (North Coast)
Rep. Ken Helm (D)	34	Washington County (Willamette)
Rep. Paul Holvey (D)	8	Eugene (Willamette)
Rep. Dallas Heard (R)	2	Roseburg (Umpqua)
Rep. Jim Weidner (R)	24	McMinnville (Willamette)

House Rural Communities, Land Use and Water Committee

Member	District	Area (Basin)
Rep. Brian Clem, Chair (D)	21	Salem (Willamette)
Rep. Ken Helm, Vice Chair (D)	34	Washington County (Willamette)
Rep. Bill Post, Vice Chair (R)	25	Keizer (Willamette)
Rep. John Davis (R)	26	Wilsonville (Willamette)
Rep. Vic Gilliam (R)	18	Silverton (Willamette)
Rep. David Gomberg (D)	10	Lincoln City (North Coast)
Rep. Brad Witt (D)	31	Clatskanie (Lower Columbia)

Joint Ways and Means Natural Resources Subcommittee

Member	District	Area (Basin)
Sen. Richard Devlin, Co-Chair (D)	19	Tualatin (Willamette)
Rep. Dan Rayfield, Co-Chair (D)	16	Corvallis (Willamette)
Sen. Bill Hansell (R)	29	Pendleton (Umatilla)
Sen. Michael Dembrow (D)	23	Portland (Willamette)
Rep. Brian Clem (D)	21	Salem (Willamette)
Rep. David Gomberg (D)	10	Lincoln City (North Coast)
Rep. Jodi Hack (R)	19	Salem (Willamette)
Rep. Julie Parrish (R)	37	Tualatin (Willamette)

January 27-28, 2015 OWEB Board Meeting

Executive Director Update #J-3: Pacific Coastal Salmon Recovery Fund

Background

On an annual basis since Federal Fiscal Year (FFY) 2000, OWEB has applied for and received funding from NOAA Fisheries through the Pacific Coastal Salmon Recovery Fund (PSCRF) as the designated grant recipient for the State of Oregon. This funding is an important complement to the Board's investment of dedicated lottery funding and Salmon License Plate revenue. Over the previous 14 years, the PSCRF has contributed nearly \$185 million to Oregon for salmon and steelhead recovery efforts. The OWEB Board and the state's Legislature have used the funding to support watershed restoration related actions and for staffing in state agencies. The PSCRF has significantly enhanced OWEB's expenditures through grants within the salmon habitat and recovery zones in the state.

Current Status

At the time of writing this staff report, it is anticipated that NOAA will announce the latest funding opportunity of \$65 million for the FFY 2015 PSCRF program in early February. It will likely include a two-step application process – submittal of a draft for NOAA staff review (typically late February) and submittal of a final application in March or April of 2015.

In 2012, NOAA developed new priorities for the program and those were further modified, slightly, in FFY 2013 and FFY 2014. The priorities reflect an emphasis for PSCRF funds to 'hit-the-ground' supporting high priority projects benefiting salmon and steelhead that are called for in Recovery Plans for those two species. This change in emphasis is intended to result in an increased ability to directly address factors limiting the productivity of ESA-listed salmon. Beginning with FFY 2012, less emphasis is being placed on capacity funding, planning, design, research and other activities.

As with the last three federal fiscal years, NOAA's grant solicitation and awards for FFY 2015 will reflect the use of the modified priorities. The priorities are in rank order and the majority of funding will be provided to grant recipients for the first priority, implementation of on-the-ground habitat actions. In addition, large-scale effectiveness monitoring and critical monitoring for population viability assessments for ESA-listed salmon and steelhead, is budgeted by NOAA such that approximately 10 percent of any given year's funding is made available for this second program priority.

OWEB, on behalf of Oregon, will request the maximum funding possible which is anticipated to be \$25 million. This request will carry a mandatory 33% match, which in the past has come from Measure 76, salmon license plates and match from the Oregon Department of Fish and Wildlife (ODFW). As in the past few years, funding received from NOAA will be split to satisfy both OWEB's and ODFW's budget needs if the Legislature approves the use of these funds in both of the agencies' budgets later this summer. The leadership teams of both agencies are working to finalize a Memorandum of Agreement that will dictate the principles and provisions for how the funding would be split between the agencies. The information will be used in the grant application submittal to NOAA and, if the funding request is successful, when determining grant award amounts for each agency.

With the emphasis toward on-the-ground projects, as defined by the newly refined PCSRF priorities and funding, staff expect PCSRF to be used differently than the majority of the last decade. These changes will continue to require adjustment by the Board, staff, grantees and other agencies when applying these funds to programs and projects.

Staff will update the Board on new developments at future Board meetings.

Staff Contact

If you have questions or need additional information, please contact Greg Sieglitz, at greg.sieglitz@state.or.us or 503-986-0194.

January 27-28, 2015 OWEB Board Meeting

Executive Director Update #J-4: Coastal Wetlands

Overview

OWEB has been designated as an eligible state agency to submit applications to the U.S. Fish and Wildlife Service's (USFWS) National Coastal Wetlands Conservation Grant Program (Coastal Wetlands Program). Applications from local implementers can only be submitted by a state agency, and OWEB is established as a trusted partner with the Coastal Wetlands Program. Any Oregon agency submitting a grant application for federal funding must receive legislative approval to submit the application and may also be required to obtain legislative authorization to receive and expend the funds if the grant is successful.

2014 Grant Application Status

In early January 2015, the USFWS announced Coastal Wetlands Program awards for project applications that were submitted in 2014. All three of OWEB's submissions were approved:

- 1) Scholfield Creek Tidal Wetlands Conservation Project – funded in the amount of \$630,577 for the acquisition and restoration of 241 acres in the Umpqua River estuary to be undertaken by the Partnership for Umpqua River and the McKenzie River Trust;
- 2) Kilchis Wetlands Conservation and Restoration Project – funded in the amount of \$1,000,000 for the acquisition of 61 acres and the restoration of 127 acres in the Kilchis River basin in Tillamook Bay undertaken by The Nature Conservancy; and
- 3) The China Camp Creek Project – funded in the amount of \$1,000,000 for the replacement and upgrade of the tidegate infrastructure to reestablish tidal influence on 1,700 acres in the Coquille River estuary undertaken by the Beaver Slough Drainage District.

Revised Review Process

Based on feedback at the July 2014 OWEB Board meeting and in order to better meet Board and legislative review requirements, staff have revised program deadlines for local implementers. Effective for the upcoming year's program, local implementers must submit a Letter of Interest (LOI) by December 15, 2014 and a Pre-Proposal by February 9, 2015. The deadlines for the Draft Full Application and the Final Full Application will be set once the USFWS releases notice of the upcoming year's program, but will most likely occur between April and June of 2015. With this new set of deadlines, staff will be able to obtain Board approval in April 2015 and legislative approvals before final submission of applications to the UFWWS in the summer of 2015. See Attachment A for more information about OWEB's refined process for local partners interested in participating in the Coastal Wetlands Program.

OWEB staff currently are vetting two LOIs from local implementers interested in participating in the upcoming year's program. The first is an acquisition and restoration project adjacent to the Ecola Creek Forest Preserve, which would be undertaken by the City of Cannon Beach with technical assistance from the Columbia River Estuary Study Taskforce. The second is an acquisition project at Winter Lake in the Coquille River estuary, which would be undertaken by The Nature Conservancy. Between December 2014 and February 2015, staff will be working with local implementers to determine if the proposed projects are a good fit for the Coastal Wetlands Program. At the April 2015 Board meeting, staff will present to the Board a request

for approval for OWEB to submit a grant application to the USFWS that includes projects that are eligible for and a good fit within the context of the Coastal Wetlands Program.

Staff Contact

If you have questions or need additional information, please contact Renee Davis at renee.davis@state.or.us or 503-986-0203, or Juniper Davis at juniper.davis@state.or.us or 503-986-0033.

Attachment

- A. Refined process for Coastal Wetlands grants

Oregon Watershed Enhancement Board
USFWS National Coastal Wetlands Conservation Grant Program
Program Administration Timeline

*Deadlines of importance to local implementers are noted in **red** below*

DEADLINE Dec. 15, 2014: Local implementer submits Letter of Interest to OWEB

Jan. 2015: USFWS announces FY2016 National Coastal Wetlands Conservation Grant Program (NCWCGP) grant offering and sets the application deadline

DEADLINE Feb. 9, 2015: Local implementer submits Pre-Proposal to OWEB

Feb.-Apr. 2015: OWEB convenes a Coastal Wetlands Review Team to engage in programmatic vetting of the proposed NCWCGP application submission; OWEB conducts site tours with Coastal Wetlands Review Team and USFWS staff

DEADLINE Apr. 2015*: Local implementer submits Draft NCWCGP application to OWEB

Apr. 28, 2015: OWEB Board votes on decision to submit NCWCGP application at Board Meeting

May 2015*: OWEB submits Draft NCWCGP application to USFWS for review

May 2015*: USFWS provides comments on Draft NCWCGP application to OWEB

May-Jun. 2015: OWEB seeks legislative approval to submit NCWCGP application

DEADLINE Jun. 2015*: Local Implementer submits Final NCWCGP application to OWEB

Jun. 2015*: OWEB submits Final NCWCGP application to the USFWS

DEADLINE Oct. 19, 2015: Local implementer submits acquisition, technical assistance, and/or restoration grant application to OWEB for state match funding

Dec. 2015 – Feb. 2016: OWEB Acquisition and/or Regional Review Teams review OWEB grant applications through regular OWEB processes and make funding recommendations

Jan. 2016: USFWS NCWCGP awards are announced

Mar. 2016: OWEB Management determines funding lines for all OWEB grant applications with consideration of Review Teams' funding recommendations and available funding

Apr. 26, 2016: OWEB Board makes final funding decision on OWEB grant application and final decision to move forward with NCWCGP award

**Exact dates will be determined once the USFWS announces the FY16 NCWCGP program and deadlines*

Letter of Interest Process

The intent of this process is to notify OWEB of your interest, to initiate a dialogue between you and the agency, to determine baseline project eligibility, and to develop a strategy for the potential submission of state and federal applications.

Letters of Interest should be emailed directly to juniper.davis@state.or.us. Please include the following information:

- Entity proposing the project;
- Point of contact for the proposed project;
- Other direct project partners, if applicable;
- Location of the proposed project, including a basic project map;
- A list of basic project elements, such as acquisition, conservation easement, restoration, enhancement, management, technical assistance, etc.;
- Concise narrative description of the project;
- A brief discussion of the project's known timeline, ripeness, and/or project planning aspects that are still in development; and
- Other information you deem appropriate.

If you have any questions, please contact Juniper Davis, Partnerships Coordinator at juniper.davis@state.or.us, or at (503) 986-0033.

January 27-28, 2015 OWEB Board Meeting

Executive Director Update #J-5: Oregon Plan Priorities – Oregon Coastal Coho Business Plan

Overview

Through its funding resources, OWEB supports projects and products that help implement the Oregon Plan for Salmon and Watersheds and other restoration and conservation goals of the State of Oregon. Because these actions at times do not fit well within OWEB's regular grant-cycle processes, the agency works with the Governor's Office and others to determine Oregon Plan priorities and potential funding needs for the upcoming biennium. The 2013-2015 OWEB spending plan includes a line item, Oregon Plan Priorities, to support such activities. Below are updates about one such investment: the Oregon Coastal Coho Business Plan.

Oregon Coastal Coho Business Plan

Staff from OWEB, the Wild Salmon Center (WSC); National Oceanic and Atmospheric Administration (NOAA) Fisheries, Oregon Department of Fish and Wildlife (ODFW), and the National Fish and Wildlife Foundation (NFWF) partnered to develop a co-funding partnership aimed at increasing collaboration and conservation success in coastal salmon tributaries, estuaries, and wetlands. The funding opportunity is to develop an approach that provides a clear and succinct road map to reach regional conservation goals and locally determined conservation objectives. To match with other funders, particularly NFWF, this approach is called a 'business plan.' The goal of this business plan is to develop—in conjunction with local partners—specific strategies within the framework for coho habitat conservation that are beneficial to local communities and can leverage additional resources.

Project Management and Outreach

The Project Team (the composition of which is described above) and the project lead, WSC, have been working in close collaboration since June of 2014 to design and implement the project. WSC is leading the outreach, with support from the Project Team, to likely participants such as watershed councils, soil and water conservation districts, land trusts and other local restoration organizations. Informal outreach includes individual discussions between coastal partnerships and the Project Team, a formal program announcement to 75 partners, and webinars. WSC received seven Letters of Interest from coastal partnerships for participation in the program.

The team will select three partnerships to develop ecologically and community-based Strategic Action Plans (SAPs) for three independent coast coho populations. These are: The SAPs will serve as models which can be replicated across all 29 independent coho populations and will be folded up in to the overarching Oregon Coast Coho Business Plan. This project will support state and federal recovery efforts, build a science-based framework for community-supported restoration, identify avenues for leveraged funding, and explore innovative strategies to integrate conservation with local and regional economic development goals.

Next Steps

- The WSC will notify coastal partnerships of the status of their participation in the program by January 23, 2015. Staff will update the board on this selection at the January meeting.
- The Project Team and the three selected coastal partnerships – with the assistance of facilitators, technical writers, and science experts – will undertake the development of the SAPs from approximately February 2015 to February 2016.
- Upon completion of this project, NFWF has committed \$600,000 in implementation funding for coastal partnerships that have completed SAPs using this framework from the Oregon Governor’s Fund for the Environment, which is managed by NFWF and paid for by civil penalties related to violations of federal anti-pollution laws.
- The Project Team will continue to seek funding to engage additional coastal partnerships in the development of SAPs that can fold into the overarching framework of the existing Business Plan.
- The Project Team will provide templates, models, and other technical expertise to future coastal partnerships that plan to complete additional SAPs using this pilot framework.

Staff Contact

If you have questions or need additional information, please contact Renee Davis at renee.davis@state.or.us or 503-986-0203, or Juniper Davis at juniper.davis@state.or.us or 503-986-0033.

January 27-28, 2015 OWEB Board Meeting Executive Director Update #J-6: April 2015 Board Meeting Schedule

Overview

This report outlines topics to be discussed during the April 2015 OWEB Board meeting and requests to extend the Board meeting to two full days.

Agenda Items Scheduled for April 2015 Meeting

Over the last two years, a number of key policy items have been in development. The April 2015 Board meeting presents decision points on many of these items, along with spending decisions for the Regular Grant program (including acquisitions). Below is a summary of topics to be discussed:

- Regular grant cycle for restoration, technical assistance, monitoring, outreach and land and water acquisitions – Totalling the time typically allocated for these agenda items, including public comment, a minimum of approximately 4.25 hours is required.
- Spending Plan – Based on requests from Board members in various forms over the past two years, staff recommend a presentation on each of the key line items in the spending plan. This format would include topics such as Weed Grants, watershed council and SWCD capacity funding, Small Grants, monitoring, Focused Investments, etc. It is expected this umbrella topic could take 4-5 hours.
- Focused Investment Priorities – The April Board meeting will include final decisions on priority establishment. The length of this topic could range, depending on discussions at the January Board meeting.
- Council Capacity – The time needed for this item will depend on if any of the currently ineligible councils remain ineligible following the appeal process, which may result in public comment to the Board.
- Legislative and Budget Update – Given OWEB's involvement in larger policy discussions related to the Clean Water Partnership and Working Forest and Farms, along with other budgetary issues, this could be an hour-long agenda item.
- Board actions will be needed on other items, including, but potentially not limited to approval to Coastal Wetlands grant applications to the U.S. Fish and Wildlife Service and the co-chair election.

Staff Request for Board Discussion at the January 2015 Meeting

With these topics, along with other decisions that may need to be addressed at the April Board meeting, staff request the Board discuss whether its April meeting can be extended to two full days. Since the Legislature is in session, the meeting is scheduled to be held in Salem.

Staff Contact

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180.



Oregon

John A. Kitzhaber, MD, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

SUBJECT: **Agenda Item K: Oregon Plan for Salmon and Watersheds 2013-2015 Biennial Report**
January 27-28, 2015 OWEB Board Meeting

I. Introduction

This report provides an update on the development and distribution of the 2013-2015 Biennial Report on the Oregon Plan for Salmon and Watersheds (Biennial Report).

II. Background

ORS 541.972 requires OWEB to submit a report that assesses the statewide and regional implementation and effectiveness of the Oregon Plan for Salmon and Watersheds to the Governor and appropriate committees of the Legislative Assembly. The report must address each drainage basin in the state and include watershed and key habitat conditions, an assessment of data and information needs, an overview of state agency programs and voluntary restoration activities, a summary of Board investments, and recommendations from the Board for enhancing effectiveness of the Oregon Plan. The 2013-2015 Biennial Report was due on January 15, 2015, and was submitted to the Legislature and Governor's Office. It will also be available electronically for interested individuals.

III. Composition of the 2013-2015 Biennial Report

Staff developed a similar approach to completing the 2013-2015 Biennial Report as was followed for the last report completed in early 2013. The report consists of two major structural components: First, as required by the Legislature, a two-page Executive Summary available both electronically and in hard copy (Attachment A); second, the full report is produced electronically and is accessible through OWEB and other agencies' websites.

As with the last report, the online version of the 2013-2015 Biennial Report includes access to data and information about all of the 15 Oregon Plan reporting basins through web-based resources such as the maps and tools. (Previous biennial reports are also available through the OWEB website at <http://www.oregon.gov/oweb>.)

One significant area of report development each year includes the work with the other agencies providing key information about Oregon Plan accomplishments (Attachment B). A specific enhancement made by staff in this year's production of the report includes reaching out all agencies listed in statute as an Oregon Plan partner. Information obtained during these

discussions provides a much more comprehensive view of other agency contributions to the Oregon Plan beyond what past reports have attempted.

Staff has also reorganized and streamlined the report structure so that users have a more seamless experience when viewing and using the online version. Staff also combined static maps and near real-time data in the electronic version of the report, information for the last six months of the biennium will updated through June 30, 2015.

Finally, the six short regional videos depicting landscapes, challenges and accomplishments and landowners—a popular item developed for the first time with the 2011-2013 report—are included in the current report as they continue to characterize the broad geographic areas of the state.

IV. Ideas for the Future

While the production of the Biennial Report is both driven by a statutory mandate and a significant endeavor, staff proposed to continue work collaboratively with agencies and other contributors to further automate and connect our information systems. In particular, this coordination can occur through the use of innovative tools and displays, so that report production becomes a living process. By connecting information systems and utilizing technological advancements in data systems, it is possible to begin allowing users to build their own reports about accomplishments under the Oregon Plan. This approach allows for better data integration, access to more real-time information, and flexibility for seekers and users of information and data to customize their own view of a meaningful report.

Staff anticipate this work on cross-agency coordination of information systems will continue to make advancements in both reducing the amount of time needed to generate reports and satisfying more users' information needs, while improving the capabilities of the state agencies to report on their accomplishments under the Oregon Plan. The Board will be updated as these approaches are pursued through cross-agency teams focused on initiatives such as Enterprise Monitoring, the Clean Water Partnership, Oregon Plan Monitoring, Conservation Effectiveness Partnership, and many others.

V. Staff Recommendation

This report is an information item only.

Attachments

- A. 2013-2015 Oregon Plan Biennial Report Executive Summary



Oregon

John A. Kitzhaber, MD, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item L: Spending Plan
January 27-28, 2015 OWEB Board Meeting**

I. Introduction

This report updates the Board on OWEB's 2013-2015 Spending Plan, and proposes a series of percentage options to begin framing the 2015-17 Spending Plan discussion. This item is for update and discussion only; no Board action will be taken at this time. However, the Board will be asked to provide direction to staff for moving forward with more detailed options to be discussed at the April 2015 Board meeting.

II. Background

After the Oregon Legislature approves OWEB's budget at the beginning of each biennium, the Board considers and approves a spending plan for the distribution of grant funding for a two-year period. The OWEB Spending Plan guides the agency's grant investments for the biennium. Available funding for the Board to distribute includes Measure 76 Lottery, federal and salmon license plates. However, the bulk of OWEB's funding comes from two major sources: Measure 76 Lottery Funding and Pacific Coastal Salmon Recovery Fund (PCSRF). Since 2000, OWEB, on behalf of the State of Oregon, has received PCSRF grants awarded annually by NOAA Fisheries. PCSRF funds are a significant component of OWEB's budget, accounting for approximately one-third of OWEB's total funds. The Oregon Legislature routinely allocates PCSRF funding in OWEB's biennial budget based on estimated federal grant awards over two years. While not guaranteed, the funds have proven to be a reliable source for OWEB's budget.

At its June 2013 meeting, the Board adopted a 2013-2015 Spending Plan totaling \$67.47 million. In July 2014, the Board updated the spending plan to include additional PCSRF monies, as well as funding transfers to other agencies. Attachment A shows the 2013-2015 Spending Plan, total Board awards to date, and the funds remaining in each line item within the Spending Plan as of January 2015.

III. 2015-2017 Spending Plan Development

Based on revenue forecasts as of the date of the agency's submission of its Agency Request Budget, it is estimated that \$56 million will be available for grant distribution through Measure 76 Lottery Funds and up to \$25 million of PCSRF funding over the course of the biennium. For Lottery funding, this amount is dependent on revenues received. For PCSRF funding, this amount will be dependent on OWEB's successful receipt of PCSRF funding through their competitive grant process. If Congressional funding is available, PCSRF provides an opportunity

for eligible applications—including OWEB on behalf of the State of Oregon—to submit grants each year.

In October 2014, the Board discussed how the spending plan should be organized within the Long-Term Investment Strategy (LTIS) Framework to accurately reflect how funds have been spent in each area. Staff have re-organized the spending plan accordingly in the attachments to this staff report.

IV. 2015-17 Spending Plan Options

While details of 2015 PCSRF funding and final revenues for Lottery funding are not yet available, staff are proposing percentages the Board could consider for investment in the LTIS categories as defined at the October 2014 Board meeting.

Attachment B contains a five-page document that will form the basis of discussions about the spending plan at the January Board meeting. In developing the document, staff first analyzed the 2011 and 2013 spending plans (pages 1-2) (as they were initially approved by the Board at the beginning of each biennium) to determine what percent was invested in each of the major spending plan categories. Staff then analyzed how much was spent on each grant type within the various categories (page 3). One important distinction to note is that prior to approval of the LTIS framework in 2011-13, spending plan discussions revolved more around grant types than broad-scale categories. In 2013-15, the discussion was a hybrid that included some identification of specific grant types and associated funding levels and some higher-level, more programmatic investments. Attachment B provides information for 2011-13 in both formats. Staff propose to report out the 2013-15 expenditures in that same format when the biennium is complete. This format is particularly important in the discussions of open solicitation and focused investments. In these two areas, the major types of grants available are identical (i.e., restoration, technical assistance, monitoring, outreach, acquisitions), but are simply delivered through different aspects of the LTIS framework.

For 2015-17, staff are presenting three options for investment percentages by LTIS framework category (pages 4-5). Attachment B also shows how those percentages would play out if the revenues for the 2015-17 biennium match those available at the beginning of the 2013 biennium. At this time, that amount is likely the best-case scenario, so specific numbers are only provided as reference. At the April 2015 Board meeting, when more accurate Lottery figures are available, staff will provide a draft spending plan that includes those projections and is based on direction recommended by the Board at the January meeting. The Board should note, however, that it is likely revenue forecasts will change again between the April and July Board meetings, when the Board will vote to approve a final spending plan.

V. Reducing Impact to Open Solicitation

Since Focused Investment Partnership funding will likely be largely restoration, as noted in the spending plan proposals, the largest funding shift comes from open solicitation restoration grants. In order to continue to distribute restoration grants equitably across the state despite the reduced funding amounts for open solicitation, staff will provide the Board options for consideration in April. These options will revolve around the fact that grant amounts in the restoration program currently have no limits, and large grants have no more stringent match or other requirements than smaller grants. Staff would like to explore with the Board a variety of

options including increasing match requirements for larger grants, capping the funding level of individual restoration grants through open solicitation, and the potential for a statewide review of large grants. Staff will not provide specific options in January, but will look for Board input to determine if these options such as those described above should be further pursued.

VI. Recommendation

This is an information item only. Staff will be seeking feedback on overall spending plan direction for development of a draft proposal in April 2015. No final decisions will occur at the January meeting.

Attachment

- A. 2013-2015 OWEB Spending Plan
- B. Spending Plan Background and Options

OWEB SPENDING PLAN	Spending Plan as of July 2014	Oct 2014 Awards	TOTAL Board Awards To-Date	Remaining Spending Plan as of Oct 2014	Jan 2015 Awards	Remaining Spending Plan as of January 2015
Open Solicitation:						
Restoration	27.720	7.479	20.655	7.065		7.065
Technical Assistance						0.000
Restoration TA	2.600	0.780	1.808	0.792		0.792
Action Plans for WC	0.250	0.125	0.181	0.069		0.069
CREP TA	0.750		0.750	0.000		0.000
Monitoring Grants	2.500	0.108	1.451	1.049		1.049
Outreach	1.100		0.600	0.500		0.500
Assessments	0.000		0.000	0.000		0.000
Land and Water Acquisition	8.000		5.219	2.782	0.125	2.657
Weed Grants	2.500		2.500	0.000		0.000
Small Grants	2.800		2.800	0.000		0.000
TOTAL	48.220	8.492	35.964	12.257	0.125	12.132
% of assumed Total Budget	66.5%					

Focused Investments:						
Deschutes SIP	4.000		4.000	0.000		0.000
Willamette SIP	3.000		3.000	0.000		0.000
Klamath SIP	0.800		0.800	0.000		0.000
Whole Watershed Restoration Initiative	0.500		0.500	0.000		0.000
TOTAL	8.300	0.000	8.300	0.000	0.000	0.000
% of assumed Total Budget	11.5%					

Operating Capacity:						
Capacity grants (WC/SWCD)	12.200		12.200	0.000		0.000
OACD/Network	0.415		0.415	0.000		0.000
Building Capacity Grants	0.200		0.200	0.000		0.000
TOTAL	12.815	0.000	12.815	0.000	0.000	0.000
% of assumed Total Budget	17.7%					

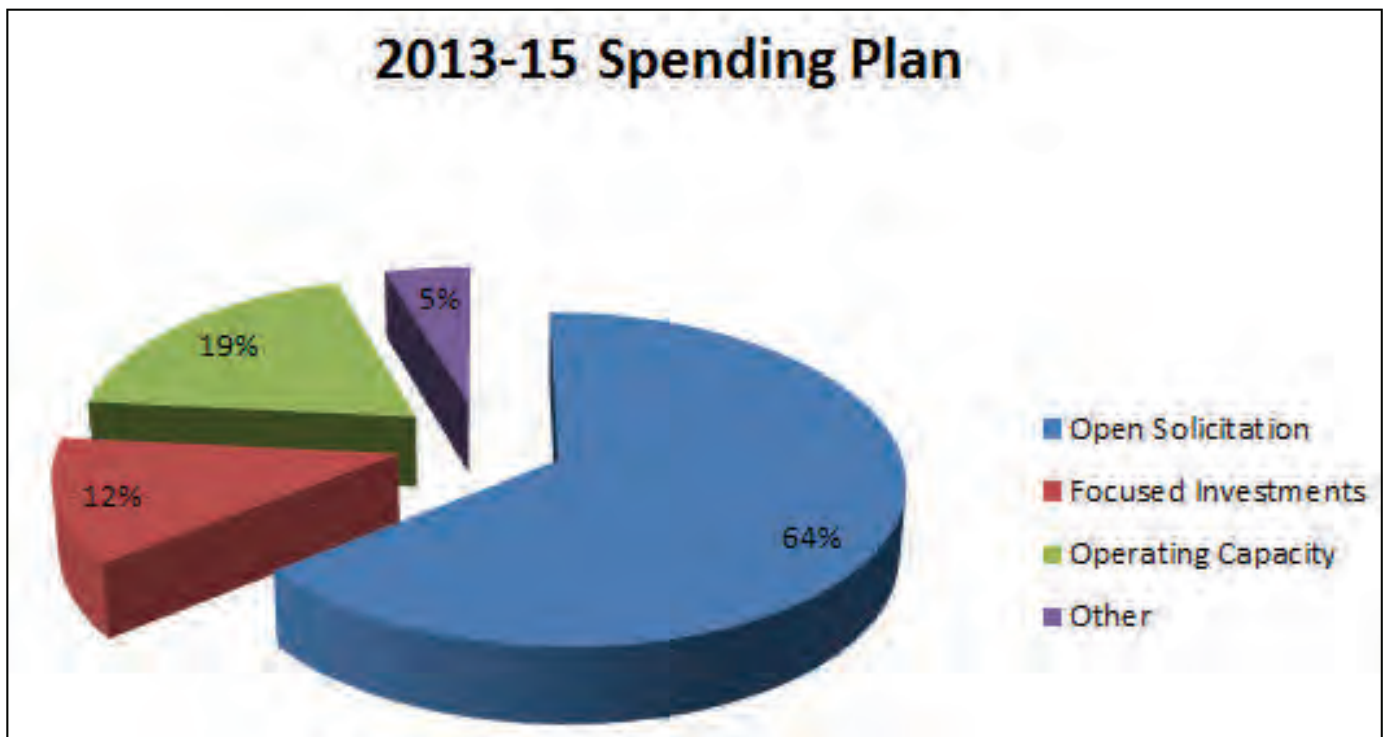
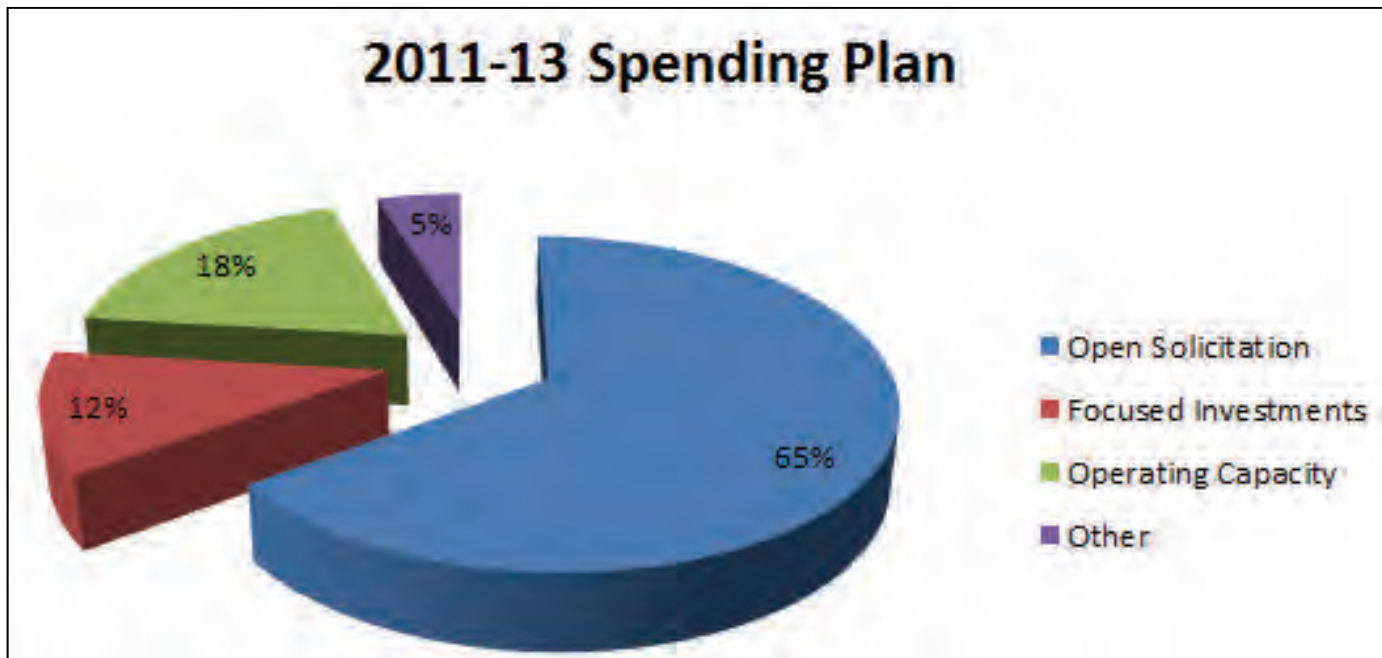
Other:						
CREP	0.500		0.500	0.000		0.000
Oregon Plan/Governor's Priorities	1.000		0.680	0.320	0.150	0.170
Effectiveness Monitoring	1.000		0.502	0.498	0.047	0.451
Ecosystem Services	0.150		0.090	0.060		0.060
Business Practices	0.200		0.150	0.050		0.050
Lower Columbia Estuary Program	0.300		0.300	0.000		0.000
TOTAL	3.150	0.000	2.222	0.928	0.197	0.731
% of assumed Total Budget	4.4%					

TOTAL OWEB Spending Plan	72.485	8.492	59.301	13.185	0.322	12.862
---------------------------------	---------------	--------------	---------------	---------------	--------------	---------------

OTHER DISTRIBUTED FUNDS						
Oregon Department of Fish and Wildlife - PCSRF	9.226		9.226	0.000		0.000
IMST (1/2 M76 Operating / 1/2 PCSRF)	0.462		0.462	0.000		0.000
USFW-Coastal Wetlands	0.120		0.120	0.000		0.000
Forest Health Collaboratives from ODF	0.600		0.600	0.000		0.000
NRCS-CREP TA	0.250		0.150	0.100	0.100	0.000
PSMFC-IMW	0.300		0.300	0.000		0.000
TOTAL	10.958		10.858	0.100	0.100	0.000

TOTAL Including OWEB Spending Plan and Other Distributed Funds	83.443	8.492	70.159	13.285	0.422	12.862
---	---------------	--------------	---------------	---------------	--------------	---------------

Historic Spending Plan Percentages by Long Term Investment Strategy Category*



*NOTE: Spending plan percentages are based on categories established by the OWEB Board at the October 2014 Board meeting and retroactively applied to previous spending plans.

OWEB SPENDING PLAN	July 1, 2011 Spending Plan excluding PCSRF FFY12	July 1, 2013 Spending Plan excluding PCSRF FFY14
Open Solicitation:		
Restoration	25.200	26.320
Technical Assistance		
Restoration TA	1.700	1.800
Action Plans for WC	0.000	0.250
CREP TA	0.800	0.750
Monitoring & EM	1.700	1.350
Outreach	0.600	0.600
Assessments	0.000	0.000
Regular Land and Water Acquisition	6.650	7.000
Weed Grants	2.500	2.500
Small Grants	2.800	2.800
June 2011 Grant awards (Mar 2011 holdover)	1.300	
TOTAL	43.250	43.370
% of assumed Total Budget	65.0%	64.3%

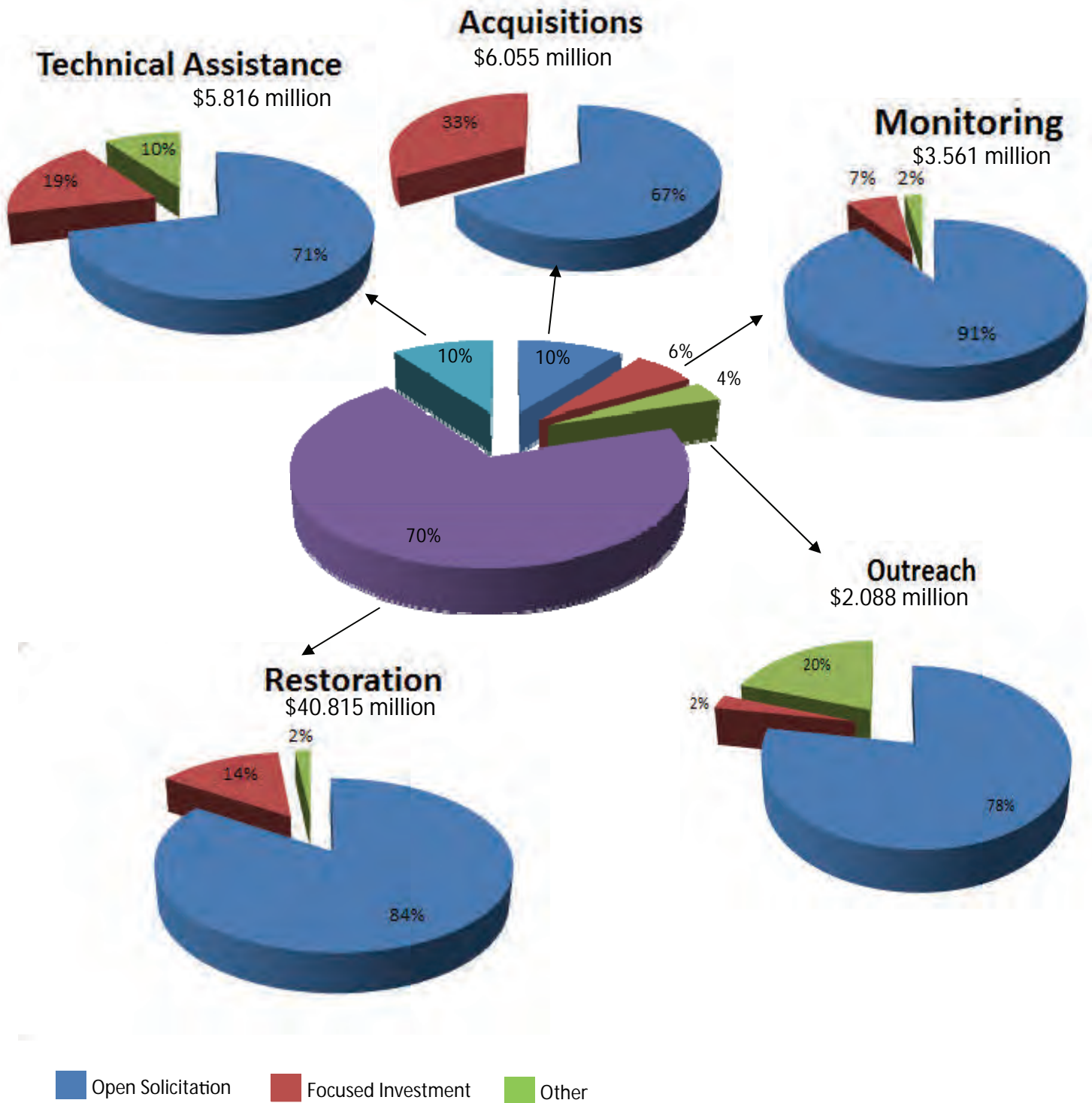
Focused Investments:		
Deschutes SIP	4.000	4.000
Willamette SIP	3.000	3.000
Klamath SIP	0.400	0.800
Whole Watershed Restoration Initiative	0.500	0.500
TOTAL	7.900	8.300
% of assumed Total Budget	11.9%	12.3%

Operating Capacity:		
Capacity grants (WC/SWCD)	12.200	12.200
OACD/Network (split out from building capacity grants)	0.200	0.300
Building Capacity Grants	0.100	0.200
TOTAL	12.300	12.700
% of assumed Total Budget	18.5%	18.8%

Other:		
CREP	0.500	0.500
Oregon Plan/Governor Priorities	1.500	1.000
Effectiveness Monitoring	0.500	1.000
Ecosystem Services	0.250	0.150
Business Practices	0.100	0.150
Lower Columbia Estuary Program	0.248	0.300
TOTAL	3.098	3.100
% of assumed Total Budget	4.7%	4.6%

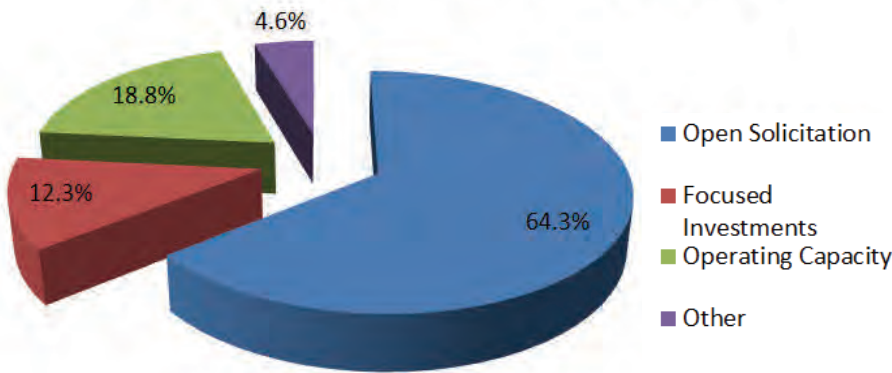
TOTAL OWEB Spending Plan Proposal	66.548	67.470
--	---------------	---------------

2011-2013 Expenditures by Grant Type



Proposed Percentages for 2015-17 Spending Plan by Long Term Investment Strategy Category*

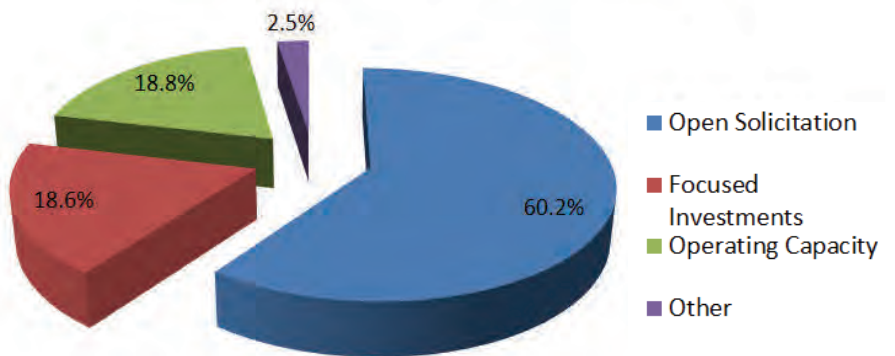
2015-17 Spending Plan Option A



Option A: Status quo—the only changes to dollar amounts would occur if revenue sources increase or decrease.

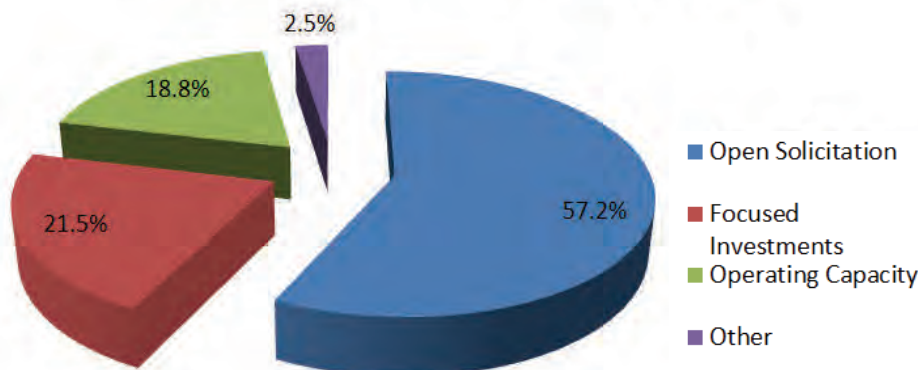
Option B: Focused Investments increase by 6.3%. Effectiveness Monitoring is moved specifically to programmatic EM in either Open Solicitation or Focused Investments, with a corresponding decrease in Open Solicitation of 4.1% and decrease in Other (where EM previously resided) of 2.1%.

2015-17 Spending Plan Option B



Option C: Focused Investments increase by 9.2%. Effectiveness Monitoring is moved specifically to programmatic EM in either Open Solicitation or Focused Investments, with a corresponding decrease in open solicitation of 7.1% and a decrease in Other (where EM previously resided) of 2.1%.

2015-17 Spending Plan Option C



Note: The draft spending plan in April will use Board-identified percentages as targets. The April spending plan draft will include both percent and dollar amounts, though final dollar figures will not be available until the July spending plan, after the agency's 2015-17 budget is approved.

OWEB Spending Plan Options	Attachment B			
	July 1, 2011	July 1, 2013	2015 Option B	2015 Option C
Open Solicitation:				
Restoration	25.200	26.320	23.150	21.150
Technical Assistance				
Restoration TA	1.700	1.800	2.000	2.000
Action Plans for WC	0.000	0.250	0.000	0.000
CREP TA	0.800	0.750	0.750	0.750
Monitoring grants	1.700	1.350	1.350	1.350
Outreach	0.600	0.600	0.500	0.500
Assessments	0.000	0.000	0.000	0.000
Regular Land and Water Acquisition	6.650	7.000	7.000	7.000
Weed Grants	2.500	2.500	2.500	2.500
Small Grants	2.800	2.800	2.800	2.800
June 2011 Grant awards (Mar 2011	1.300	NA	NA	NA
OS Effectiveness Monitoring			0.500	0.500
TOTAL	43.250	43.370	40.550	38.550
% of assumed Total Budget	65.0%	64.3%	60.2%	57.2%

Focused Investments:				
Deschutes SIP	4.000	4.000		
Willamette SIP	3.000	3.000		
Klamath SIP	0.400	0.800		
Whole Watershed Restoration Initiative	0.500	0.500		
FI Partnership Implementation			11.000	13.000
FI Partnership Capacity-Building			1.000	1.000
FI effectiveness monitoring			0.500	0.500
TOTAL	7.900	8.300	12.500	14.500
% of assumed Total Budget	11.9%	12.3%	18.6%	21.5%

Operating Capacity:				
Capacity grants (WC/SWCD)	12.200	12.200	12.200	12.200
OACD/Network <small>(split out from building capacity)</small>	0.200	0.300	0.300	0.300
Building Capacity Grants	0.100	0.200	0.200	0.200
TOTAL	12.300	12.700	12.700	12.700
% of assumed Total Budget	18.5%	18.8%	18.8%	18.8%

Other:				
CREP	0.500	0.500	0.500	0.500
Oregon Plan/Governor Priorities	1.500	1.000	1.000	1.000
Effectiveness Monitoring	0.500	1.000		
Ecosystem Services	0.250	0.150	0.150	0.150
Business Practices	0.100	0.150		
Lower Columbia Estuary Program	0.248	0.300		
TOTAL	3.098	3.100	1.650	1.650
% of assumed Total Budget	4.7%	4.6%	2.5%	2.5%

TOTAL OWEB Spending Plan Pro-	66.548	67.470	67.400	67.400
--------------------------------------	---------------	---------------	---------------	---------------



Oregon

John A. Kitzhaber, MD, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Renee Davis, Deputy Director

SUBJECT: **Agenda Item N: Other Business -- Upper Klamath Basin Comprehensive Agreement Update and Funding Request**
January 27-28, 2015 OWEB Board Meeting

I. Introduction

Implementation of the Upper Klamath Basin Comprehensive Agreement (Comprehensive Agreement) is underway. In January of 2014, the OWEB awarded \$750,000 for activities associated with the Water Use Program (WUP) under the Comprehensive Agreement. The Governor's Office is requesting the Board provide an additional \$125,000 to ensure that the water-use agreements committed to during Year 1 of the Transitional WUP are supported for a full three-year timeframe.

II. Background

In early December of 2013, Upper Klamath Basin irrigators, the Klamath Tribes and state and federal officials signed a tentative agreement to ensure water for both ranching operations and Tribal needs. On April 18, 2014, a Comprehensive Agreement was signed that formalizes water management and restoration in the upper basin. The agreement includes two components of particular relevance to OWEB: 1) A WUP designed to permanently increase stream flows into Upper Klamath Lake by at least 30,000 acre feet through targeted reductions of water use in key reaches of the tributaries to Upper Klamath Lake, with compliance with the Water Use Program designed in a way that provides a stable, sustainable basis for the continuation of irrigated agriculture in the Upper Klamath Basin; and 2) A Riparian Program designed to permanently improve and protect riparian conditions.

III. Progress to Date

The Board's January 2014 award in support of the WUP provided important funding for forbearance and temporary leasing of water rights and programmatic costs to ensure a credible and successful delivery system is in place locally to carry out the program, achieve water-conservation targets set for Year 1 in the Comprehensive Agreement, and allow for progress toward Year 2 targets. Approximately \$500,000 of the Board's award was allocated for funding of forbearance and temporary leasing of water rights, and \$250,000 was allocated for programmatic costs to design and begin implementation of the WUP. The U.S. Fish and Wildlife Service (USFWS) and the National Fish and Wildlife Foundation (NFWF) also are funding early implementation of the Water Use Program.

A total of 7,247.68 acre-feet of reductions in net consumptive use (which well exceeds the 5,000 acre-foot target set for 2014) have been approved by the Joint Management Entity for inclusion in WUP ledger. These reductions were realized through a combination of previous

efforts to protect water rights instream and/or reduce water use and new water use agreements that were entered into during the 2014 irrigation season.

Parties to the Comprehensive Agreement, along with funders, continue to meet regularly to further develop the necessary organizational structures required under the agreement, identify funding sources to support these structures including approaches for continued Congressional conversations given that funding was not approved in the FFY15 continuing resolution, and complete preparatory work needed in advance of the 2015 irrigation season (e.g., valuation of water rights for permanent transfers, revisions to current water-use agreements, drafting of riparian management agreements for use under the Riparian Program).

If funding is available, over the long term, the WUP will reduce water use through permanent water right retirement. In the near term and in conjunction with permanent retirements over the long term, other ongoing measures—such as forbearance and leasing of water rights, water conservation and efficiency, and upland management—will reduce net consumptive use of water in a predictable, quantifiable manner.

IV. Supplemental Funding Request

Participation in the WUP is voluntary. Landowner willingness to engage as early adopters in the Transitional WUP is an important demonstration of commitment to the Comprehensive Agreement, and should be supported. Year 1 (i.e., 2014) water-use agreement costs total approximately \$195,000 annually. The intent was to continue those leases for three years when the OWEB Board awarded funding to assist with the Transitional WUP. If those leases are continued for their full term, the need exceeds the amount for forbearance and lease payments initially envisioned under the award.

For this reason, the Governor's Office requests an additional \$125,000 to round out the funding needed to support the initial round of water-use agreements over a three-year period. A small amount of additional funding is built into this funding request to address minor changes to payment rates that may occur as a result of net consumption use and/or valuation updates and to coordinate and manage implementation of the water-use agreements for the remaining two years.

V. Recommendation

Staff recommend the Board award up to \$125,000 from the Land and Water Acquisitions line item in the 2013-2015 spending plan to the Transitional Water Use Program under the Upper Klamath Basin Comprehensive Agreement, as described in Section IV of this staff report, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements, with an award date of January 28, 2015 to be used for any grant agreement(s).

APPROVED BY THE BOARD APRIL 28, 2015
Oregon Watershed Enhancement Board

January 27, 2015

OWEB Board Meeting
Astoria, Oregon
Minutes

OWEB Members Present

Dan Thorndike
Eric Quaempts
Debbie Hollen
Will Neuhauser
Lisa Phipps
John Roberts
Bob Webber
Karl Wenner
Alan Henning
Mike Haske
Randy Labbe
Stephen Brandt
Ron Alvarado
Kim Kratz
Doug Krahmer

OWEB Staff Present

Meta Loftsgaarden
Greg Sieglitz
Renee Davis
Juniper Davis
Brandi Elmer
Liz Redon
Courtney Shaff
John Amoroso
Sue Greer
Sharon Clarke
Mark Grenbemer
Tom Shafer
Dana Hicks
Wendy Hudson
Eric Hartstein
Troy Wirth
Ken Fetcho
Andrew Dutterer

Others Present

Megan Nichols
Anna Rankin
Mark Stern
Bruce Taylor
Kari Hollander
Jenni Dykstra
Tara Davis
Kirk Shimenze
Steve Wise
Alix Lee
Katie Voelke
Tod Heisler
Mary Wahl
Jerry Nicolescu
Chris Farrar
Marty Suter-Goold
Dana Dedrick
Liz Vollmer-Buhl
Ken Bierly
Kathleen Guillozet
Sarah Dyrdaahl
Rebecca McCowen
Larry Six
Jeff Oveson
Tom Salzer
Kristen Larson
Amy Charelte
Sandy McKay
Herb Winters
Lower Nehalem Community Trust
Sarah O'Brien
Kendra Smith
Graham Klag
Una Monaghan
Karin Nembach
Debbie Pickering
Pam Wiley
Michele Long
George Hemmingway
Ryan Houston
Conrad Gowell
Kelley Beamer
Tessa Scheller
John Gardiner
Jerome Arnold
Denise Lofman

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies and areas.

B. Review and Approval of Minutes

Minutes of the October 28-29, 2014 Board meeting in Grants Pass were presented for approval. Lisa Phipps commented that there was a typographical error that should be corrected under Others Present, Katie Volke should be changed to Katie Voelke, in all places where this typographical error appears, it should be corrected.

The board moved to approve the October 28-29, 2014 Board meeting minutes. Moved by Dan Thorndike, seconded by: Lisa Phipps. Motion passed unanimously.

C. Focused Investment Partnership Priorities

Meta Loftsgaarden, Executive Director, provided some information to the board about the priority submission process that had taken place with a variety of experts providing input to identify priority theme areas, she explained that this information would provide a starting point for Board discussion and development of the priority process the Board was asked to develop. Staff provided summaries of each theme area for their discussion. She reminded the Board with the approval of the Long-Term Investment Strategy in June of 2013, one of the four major areas of investment was Focused Investments. The development of these priorities will guide the selection making process for future board awards in the focused investment category.

Public Comment – Focused Investment

- Mark Stern, The Nature Conservancy, provided comments in support of dry-forest restoration focused investment priority
- Steve Wise, Executive Director, Sandy River Basin Watershed Council, commented on the need for continued support for restoring fish and wildlife and recovering threatened fish species
- Jerry Nicolescu, Oregon Association of Conservation Districts, spoke in support of the Oregon Model for protection of Sage Grouse
- Marty Suter-Goold, Harney Soil and Water Conservation District, spoke in support of protection for Sage Grouse
- Ken Bierly, High Desert Partnership, spoke in support of the FIP theme, Closed Basin Wetlands, (SONEC)
- Dana Detrick, Willamette Steering Committee, commented in support of the Willamette with regards to scale, timeliness, and policy issues
- Ryan Houston and Tod Heisler, representing Upper Deschutes Watershed Council and Deschutes River Conservancy, commented on their support for the Deschutes Aquatic Habitat Focused Investment Priority
- Megan Nichols, Upper Klamath Conservation Action Network, spoke in support of focused investments in the Klamath Basin
- Amy Charette, Confederated Tribes of the Warm Springs, Sandy McKay, Gilliam Soil and Water Conservation District, and Herb Winters, Wheeler Soil and Water Conservation District, spoke in support of the John Day Basin focused investment priority

- Larry Six, McKenzie Watershed Council, spoke in support of focused investment priorities in the McKenzie sub-basin
- Jeff Oveson, Grande Ronde Model Watershed, spoke about the importance of restoration projects for endangered species

Renee Davis, Deputy Director, provided a brief summary of the twelve priority themes and how they were developed. She then reminded the board that during discussion of each of the twelve theme summaries the board would be asked to think about key priorities that they would like to adopt as guidance for future board awards in the focused investment category.

1 – CLOSED BASIN WETLANDS/SONEC

Renee Davis, Deputy Director, explained the priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional information requested:

- 1) More specifics about experts
- 2) Targets to be achieved at scale
- 3) Other funding options
- 4) What existing projects are already out there
- 5) Ecological outcomes tied to species
- 6) Themes and timeliness as it relates to scale
- 7) Key benefits vs. challenges/outcomes

2-SAGE-STEPPE/SAGE GROUSE

Renee explained the key priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional information requested:

- 1) Details regarding implications of sage grouse listing
- 2) Are there ways to prioritize the issues and priorities within this area?
- 3) How much federal/state commitment has gone into this so far?
- 4) Sage Grouse population size, what is it?
- 5) Oregon's role in listing?

3-GRANDE RONDE NATIVE FISH

Renee explained the key priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional information requested:

- 1) Where would we get the biggest outcome for our dollars invested?
- 2) Do not rule out smaller geographic areas, we may see a bigger impact here
- 3) Easement opportunities in the basin
- 4) Include Umatilla Tribe in experts consulted
- 5) Relationship between this priority and the dams
- 6) Add habitat acquisitions and easements as a limiting factor
- 7) Water quality around Looking Glass Creek
- 8) Basins/Sub-basins within a basin that are priority

4-DRYSIDE FORESTS

Renee explained the key priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional Information Requested:

- 1) Would like better definition of ecological outcomes in this category
- 2) Note any NRCS or ODF hotspots for this priority
- 3) What would be the minimum treatment needed to track ecological/social outcomes
- 4) Noted that the cost of this is tremendous, unless investments are focused Recommend using the 'disturbance map'
- 5) Are there options for leverage with private landowners
- 6) Is there an opportunity for OWEB to make a big impact
- 7) How can OWEB be catalyst in this priority area?

5-JOHN DAY NATIVE FISH HABITAT

Renee explained the key priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional information requested:

- 1) More specifics related to overall ecological outcome
- 2) More specifics related to significance to the state

6-UPPER KLAMATH NATIVE FISH HABITAT AND WATER QUALITY

Renee explained the key priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional information requested:

- 1) Is there a non-KBRA Plan? Where will this go if not?
- 2) Is there a leadership role for OWEB?
- 3) Crosses state lines, what is the relationship between the work in CA and OR?
- 4) What is driving factor?

5) What affect would OWEB investments have on phosphorous loading?

7-DESCHUTES AQUATIC HABITAT

Renee explained the key priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional information requested:

- 1) De-listing of bull trout and steelhead, what would it mean?
- 2) Where are current investments in this area?
- 3) How has or could OWEB's contribution make a difference?
- 4) What is the list of remaining priorities

8-OAK WOODLANDS

Renee explained the key priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional information requested:

- 1) How to measure outcomes in this priority?
- 2) Should this priority be called oak and prairie?
- 3) What are the avenues, acquisitions? Other?

9-LOWER COLUMBIA NATIVE FISH HABITAT

Renee explained the key priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional information requested:

- 1) More specifics related to State/National significance
- 2) What are the limiting factors unique to non-anadromous species
- 3) What are the social outcomes near high population areas

10-WILLAMETTE BASIN AQUATIC HABITAT AND WATER QUALITY

Renee explained the key priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional information requested:

- 1) Need clear outcomes
- 2) There is a range of submissions – request more clarity of options

- 3) Social capital, what is our role in the basin?
- 4) Summary of investments to date
- 5) What outcomes would we have within OWEB's budget?

11-OREGON COAST

Renee explained the key priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional information requested:

- 1) Does Oregon Coast Coho work as a stand-alone priority?
- 2) Would like to see more description of estuaries
- 3) Additional indications of the best criteria to use
- 4) Are there multiple priorities within this framework?
- 5) Investments only go so far what are the regulatory framework that goes with it?
- 6) Breakout of Coastal Coho and populations, but also habitat types

12-CROSS-CUTTING THEMES

Renee explained the key priorities and needs in this area along with significance to the state, geographical options and habitat/natural resource issues of concern. (See Attachment D)

Renee then engaged the Board in questions and discussion, surrounding what the board needs or wants to know in order to make decisions for future guidance when making board awards for focused investments.

Additional information or suggestions for this section:

- 1) Water supply development – Add as appropriate
- 2) Statewide priorities seem too large
- 3) Climate Change – should be discussed as a part of the application process

The Board then provided some general discussion and feedback on the priorities.

General Board Comments:

- General support was expressed for each of the priorities in different ways. Examples included a focus on coastal coho habitat and populations and combining Forest Health and Oak Woodlands
- Staff should outline what the board would “expect” within a submission
- Priorities shouldn't be ranked – they should all be equal and we select programs
- Recommend moving away from geography
- Request that staff consider how to include water quality
- Enough side-boards that people understand what to propose in a way that starts to achieve outcomes
- Priority descriptions need to be clear enough and specific enough to limit applicant pool
- Partners are doing this work today – focus on making sure thresholds are established for proposals

The Board then entered into a discussion of how best to frame the priorities for further discussion in April. Karl Wenner proposed seven themes for consideration:

- Sage-grouse/Sage-Steppe Habitat
- Dryside forest habitat
- Oak woodland habitat
- Closed Basin wetland habitat
- Coastal Coho habitat and populations
- Inland anadromous fish habitat and populations
- Inland non-anadromous fish habitat and populations

Following extensive debate regarding the seven themes, staff asked if Board members would like the next presentation to utilize the seven theme areas identified with some leeway to make changes based on expert feedback. No vote was taken, and no other alternative approaches were provided.

The Board then discussed using the seven themes with a ‘two-pager’ that would consistently frame and describe each of the proposed priorities. Board members expressed support for highlighting the need for a landscape-level approach and tying to ecological outcomes. Board members expressed concern about the time needed to fully review and vet priorities as revised into the new seven theme areas. Board members requested staff review alternatives for an additional in-person board meeting to provide members with an opportunity to discuss the priorities as they evolve. Staff agreed to seek alternatives. Subsequent to the Board meeting, an additional one-day meeting was scheduled for March 18 in Salem.

Public Comment – Focused Investment

- Ken Bierly, commented on lessons learned and other focused investment priorities. He noted we have a diverse state we need good ecological outcomes – provided a handout
- Bruce Taylor, Oregon Habitat Joint Venture, commented on the priority process the board had discussed and asked the board to keep in mind that they are only talking about a part of the process
- Marty Suter-Goold, Harney Soil and Water Conservation District, commented on the ecological model for Sage Grouse
- Jerry Nicolescu, Oregon Association of Conservation Districts, commented on support for Sage Grouse
- Jeff Oveson, Grande Ronde Model Watershed, commented that Salmon/Steelhead should be a priority
- Kathleen Guillozet, Willamette Steering Committee, spoke in support of the Willamette Special Investment Partnership
- Kristin Larsen, Luckiamute Watershed Council, commented that OWEB should utilize the regional review teams as a part of the process
- Debbie Pickering, The Nature Conservancy, Catherine Pruett, Salmon-Drift Creek Watershed Council and Liz Vollmer-Buhl, Suislaw Watershed Council commented in support of the Coastal priorities and estuaries
- Steve Wise, Sandy River Basin Watershed Council, warned the board not to mistake categories for partnerships. Partnerships will deliver specific ecological outcomes; priority categories should remain at a larger scale.

- Tod Heisler, Deschutes River Conservancy, stated that he looks forward to the next level of discussion, and told the board they should focus on restoring ecological functions not on a particular species
- John Gardner, Illinois Valley Watershed Council and Rogue Basin Partnership, reminded the board they have a lot of influence, and to be careful about priorities
- Larry Six, McKenzie Watershed Council, reminded the board to be careful of groupings and proposals, and asked them to look at them carefully
- Pam Wiley, Meyer Memorial Trust, commented on her support for the Willamette Focused Investment Partnership and reminded the board to call on partners within the current Special Investment Partnership for lessons to share.

D. Public Comment – General

- Kristen Larsen, Luckiamute Watershed Council, commented on the Willamette Riparian Revegetation Program – provided a handout
- George Hemmingway, commented in support of habitat restoration
- Kelley Beamer, Executive Director, Coalition of Oregon Land Trusts, talked through the State of the Lands Report (COLT)
- Alix Lee, Coordinator for the Lower Nehalem Watershed Council, is new in this position and is excited to work with OWEB and the Board
- Rob Russell, Tillamook Bay Watershed Council, new North Coast member, wanted to introduce himself to the Board
- John Gardner, Illinois Valley Soil and Water Conservation District, provided an update on where the organization has come since the October Board Meeting

APPROVED BY THE BOARD APRIL 28, 2015
Oregon Watershed Enhancement Board

January 28, 2015

OWEB Board Meeting
Astoria, Oregon
Minutes

OWEB Members Present

Dan Thorndike
Eric Quaempts
Debbie Hollen
Lisa Phipps
Will Neuhauser
Bob Webber
Karl Wenner
John Roberts
Alan Henning
Mike Haske
Randy Labbe
Ron Alvarado
Kim Kratz
Stephen Brandt
Doug Kraemer

OWEB Staff Present

Meta Loftsgaarden
Renee Davis
Dana Hicks
Liz Redon
Courtney Shaff
Greg Sieglitz
Juniper Davis
John Amoroso
Sharon Clarke
Sue Greer
Brandi ElmerTom Shafer
Eric Hartstein
Andrew Dutterer
Ken Fetcho
Troy Wirth

Others Present

Rebecca McCoun
Anna Rankin
Mike Running
Sarah Dyrhahl
Sandy McKay
Jerry Nicolescu
Kristen Larson
Karin Nembach
Alix Lee

E. Salmon River Estuary Presentation

Kami Ellingson, of United States Forest Service, presented to the Board on collaborative restoration in the Salmon River Estuary. US Forest Service presented a section of the railroad from the former Pixieland Theme Park to the OWEB board in appreciation for their work on the project. (See Agenda Item E for more information)

F. Effectiveness Monitoring Update and Funding Request

Greg Sieglitz, Monitoring and Reporting Program Manager, presented to the board on partnership investments and future focused investment partnerships. Greg provided background to the board regarding the framework and direction of these partnerships and how they relate to monitoring and the Long Term Investment Strategy.

Ken Fetcho, Monitoring Specialist, talked to the board regarding ecological benefits in the Willamette Special Investment Partnership as an example of some of the work that has been done as well as accomplishments and lessons learned.

The board moved to provide \$47,495 in support of new and replacement equipment for the DEQ Volunteer Water Quality Monitoring Program, to be provided to locally-based groups in support of their monitoring projects and programs.

Moved by Dan Thorndike, seconded by Karl Wenner. The motion passed unanimously.

G. Conservation Reserve Enhancement Program Technical Assistance (CREP TA) Update and Award Funding

Juniper Davis, Partnerships Coordinator, provided a brief update to the Board about the CREP TA program, and asked for approval to receive program funding.

The board moved to approve receipt of \$100,000 in supplemental funding from the NRCS to support and improve the local delivery of CREP in Oregon, and delegate authority to the Executive Director to distribute funds through appropriate grants and agreements, with an award date of January 28, 2015 to be used for any grant agreement(s). Moved by Eric Quaempts, Seconded by John Roberts. The motion passed unanimously.

H. Willamette Riparian Pilot Project – Funding Request

Meta Loftsgaarden, Executive Director provided background to the board regarding the Willamette Riparian Initiative and Governor’s Clean Water Partnership. She identified roles for OWEB in the early implementation phase of the Clean Water Partnership and technical assistance for the Willamette Riparian Initiative. She then asked the board to consider funding \$150,000 from the Oregon Plan/Governor’s Priorities to support implementation of the framework, funds would be used to develop the program’s architecture, coordinate the various work groups and ultimately develop an implementation-ready approach to broad scale riparian restoration work in the Willamette.

The board moved to award \$150,000 grant from the Oregon Plan/Governor’s Priorities spending plan line item to support the implementation of the framework for the Governor’s Clean Water Partnership, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements, with an award date of January 28, 2015 to be used for any grant agreement(s). Funds will be used to develop the program’s architecture, coordinate various work groups, and ultimately develop and implementation-ready approach to broad-scale riparian restoration work. Moved by Dan Thorndike, seconded by Doug Krahmer. The motion passed unanimously.

I. Sage-Grouse Conservation (SageCon) Update

Meta Loftsgaarden, Executive Director, provided an update to the board on the Sage Grouse (SageCon) Effort and the partnership and investment in the effort by OWEB. (See Staff Report for more information)

J. Executive Director Update

Meta Loftsgaarden, Executive Director, provided an updates on online grant applications and the grant agreement process.

She updated the board on the Continuous Improvement Process, including the workshops and other key business practices that are being developed to improve on our processes and to be able to streamline certain processes to save time and resources for staff and our customers. She updated the board on the current legislative activities and budget proposals that will be considered by the legislature during the 2015 legislative session, and she introduced the new Senior Policy Coordinator/Legislative Liaison, Eric Hartstein to the Board.

She updated the board about the Pacific Coastal Salmon Recovery Fund. She told the board that OWEB is currently in the process of submitting the pre-application for PCSRF funding, and will follow-up with the final application for a funding request.

She updated the board on the coastal wetlands projects that are currently going through the approval and application process. Three of OWEB's submissions were approved, including: Scholfield Creek Tidal Wetlands Conservation Project, Kilchis Wetlands Conservation and Restoration Project, and the China Camp Creek Project.

She updated the Board on the Oregon Coastal Coho Business Plan, and explained the implementation of the Oregon Plan for Salmon and Watersheds along with the other restoration and conservation goals of the state of Oregon.

She explained the need for a full two day Board meeting in April and asked Board members if they were amenable to a full two-day meeting in April. The consensus was yes. (See staff report for more information)

K. Oregon Plan for Salmon and Watersheds 2013-15 Biennial Report on the Oregon Plan for Salmon and Watersheds

Greg Sieglitz, Monitoring and Reporting Manager, Troy Wirth, GIS and Technology Specialist, and Sharon Clarke, Information Management Specialist, provided an update on the completion of the 2013-15 Biennial Report for Salmon and Watersheds and provided the board with a final report that was submitted to the Legislature and Governor's Office.

L. Spending Plan Discussion

Meta Loftsgaarden, Executive Director, discussed the spending plan options with the Board and asked for their feedback surrounding the development of the 2015-17 spending plan.

Board Comments were:

- 1) Keep in mind limitation of available funding; prefer option A
- 2) Prefer option C, due to the newest Focused Investment Process
- 3) Question about the demand for Focused Investments – how much funding is needed? How many programs are expected?
- 4) Would like to see more than one option proposed in April
- 5) Concern about the SIP funding continuing and how that would occur?
- 6) Like options B and C, we should take a cautious approach
- 7) Make assumptions and put dollar figures into categories
- 8) Keep watershed councils encouraged/motivated
- 9) Don't rely on OWEB as the only funder of projects
- 10) Would like more examples from staff of Open Solicitation information

M. Public Comment - General

- Anna Rankin, of the Pudding River Watershed Council, asked the board for support for their council
- Sarah Dyrdaahl, Calapooia, South Santiam, North Santiam Watershed Council provided an update to the Board of their projects and accomplishments
- Kristen Larson, Luckiamute Watershed Council, provided some data with regards to the spending plan and told the Board to be cautious with new programs
- Conrad Gowell, Mid-Coast Watershed Council, introduced himself to the Board and thanked them for all their work

I. Sage Grouse Conservation Update (SageCon Update)

Jamie Damon, Governor's Natural Resources Office, came to speak to the Board about Sage Grouse (SageCon) Effort and gave a statewide update. She discussed the Stakeholder and State Leadership Teams that had convened to develop a draft plan and initiated a rulemaking process. She stated the budget is \$4.5 million for the Governor's Budget for Fire and Forestry to provide additional resources for funding.

N. Other Business: Upper Klamath Basin Comprehensive Agreement Update and Funding Request

Renee Davis, Deputy Director, provided an update to the board on the Upper Klamath Basin Comprehensive Agreement and OWEB funding already put to use. The Governor's office is requesting an additional \$125,000 to ensure the water-use agreements committed during year 1 of the transitional Water Use Plan are supported for a full three-year timeframe.

Board Discussion: How does this process affect other land/water acquisitions? Concerns about spending more money if the KBRA is not continued.

The board moved to award up to \$125,000 from the Land and Water Acquisitions line item in the 2013-15 spending plan to the Transitional Water Use Program under the Upper Klamath Basin Comprehensive Agreement, as described in Section IV of the staff report, an delegate authority to the Executive Director to distribute funds through appropriate grants and agreements, with an award date of January 28, 2015 to be used for any grant agreement(s). Moved by Karl Wenner, seconded by Lisa Phipps. The motion passed unanimously.

Having no further business, the meeting was adjourned.



OWEB Oregon Watershed Enhancement Board Meeting Agenda

Oregon Watershed Enhancement Board

March 18, 2015

Wednesday, March 18, 2015

Mission Mill – Dye House

1313 Mill Street SE

Salem, OR 97301

Directions: http://willametteheritage.org/how_to_find_us.html

Business Meeting – 9:00 a.m.

During the public comment periods (Agenda Items A and B), anyone wishing to speak to the Board on specific agenda items is asked to fill out a comment request sheet (available at the information table). This helps the Board to know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. ***The Board encourages persons to limit comments to three to five minutes.***

A. Public Comment

This time is reserved for general public comment, as well as other matters before the Board.

B. Focused Investments Partnership Process and Priority-Setting

1. Renee Davis, Deputy Director, will brief the Board about the status of the Focused Investment Partnership (FIP) process to date. Ms. Davis will then present information about each of the FIP priority categories that were developed at the January Board meeting.
2. The Board will hear public comment (at approximately 12:45 p.m.) about the FIP priority categories.
3. The Board will discuss the FIP priority categories (at approximately 3:00 p.m.) and provide guidance on the priority-setting process. *Information item*

C. Other Business

1. Greg Sieglitz, Monitoring and Reporting Program Manager, will provide an update on the Upper Middle Fork John Day River Intensively Monitored Watershed (IMW). The Board will consider awarding supplemental funding for the IMW from the Effectiveness Monitoring line item in the 2013-2015 spending plan. *Action Item*
2. Meta Loftsgaarden, Executive Director, will provide an update on the state's Sage-grouse conservation and planning efforts. The Board will consider a funding request from the Oregon Plan /Governor's priorities spending plan line item to support this work. *Action Item*

Meeting Procedures

Generally, agenda items will be taken in the order shown. However, in certain circumstances, the Board may elect to take an item out of order. To accommodate the scheduling needs of interested parties and the public, the Board may also designate a specific time at which an item will be heard. Any such times are indicated on the agenda.

Please be aware that topics not listed on the agenda may be introduced during the Board Comment period, the Executive Director's Update, the Public Comment period, under Other Business or at other times during the meeting.

Oregon's Public Meetings Law requires disclosure that Board members may meet for meals on Wednesday.

Voting Rules

The OWEB Board has 17 members. Of these, 11 are voting members and six are ex-officio. For purposes of conducting business, OWEB's voting requirements are divided into two categories – general business and action on grant awards.

General Business

A general business **quorum is six voting members**. General business requires a majority of **all** voting members to pass a resolution (not just those present), so general business resolutions require affirmative votes of **at least six** voting members. Typical resolutions include adopting, amending or appealing a rule, providing staff direction, etc. These resolutions cannot include a funding decision.

Action on Grant Awards

Per ORS 541.360(4), special requirements apply when OWEB considers action on grant awards. This includes a special **quorum of at least eight voting** members present to take action on grant awards, and affirmative votes of at least six voting members. In addition, regardless of the number of members present, **if three or more voting members object** to an award of funds, the proposal will be rejected.

Public Testimony

The Board encourages public comment on any agenda item.

General public comment periods will be held on Wednesday, March 18 at 9:05 a.m. for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to three to five minutes.***

Tour

The Board may tour local watershed restoration project sites. The public is invited to attend, however transportation may be limited to Board members and OWEB staff. If you wish to join the tour, be prepared to provide your own transportation.

Executive Session

The Board may also convene in a confidential executive session where, by law, only press members and OWEB staff may attend. Others will be asked to leave the room during these discussions, which usually deal with current or potential litigation. Before convening such a session, the presiding Board member will make a public announcement and explain necessary procedures.

Questions?

If you have any questions about this agenda or the Board's procedures, please call Brandi Elmer, OWEB Board Assistant, at 503-986-0181. If special physical, language or other accommodations are needed for this meeting, please advise Brandi Elmer (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

Oregon Watershed Enhancement Board Membership

Voting Members

Board of Agriculture member: **Doug Kraemer**
 Environmental Quality Commission member: **Morgan Rider**
 Fish and Wildlife Commission member: **Bob Webber**
 Board of Forestry member: **Cindy Deacon Williams**
 Water Resources Commission member: **John Roberts**
 Public member (tribal): **Eric Quaempts, Board Co-Chair**
 Public member: **Lisa Phipps**
 Public member: **Will Neuhauser**
 Public member: **Randy Labbe**
 Public member: **Dan Thorndike, Board Co-Chair**
 Public member: **Karl Wenner**

Non-voting Members

Representative of NMFS: **Kim Kratz**
 Representative of Oregon State University Extension Service: **Stephen Brandt**
 Representative of U.S. Forest Service: **Debbie Hollen**
 Representative of U.S. BLM: **Mike Haske**
 Representative of U.S. NRCS: **Ron Alvarado**
 Representative of U.S. EPA: **Alan Henning**

Contact Information

Oregon Watershed Enhancement Board
 775 Summer Street NE, Suite 360
 Salem, Oregon 97301-1290
 503-986-0178
 Fax: 503-986-0199
www.oregon.gov/OWEB

OWEB Executive Director – Meta Loftsgaarden

meta.loftsgaarden@state.or.us

OWEB Assistant to Executive Director and Board – Brandi Elmer

brandi.elmer@state.or.us
 503-986-0181

2014-2016 Board Meeting Schedule (Proposed)

2014	2015	2016
January 28-29 in Portland	January 27-28 in Astoria	January 26-27, location TBD
April 29-30 in Bandon	April 28-29 in Salem	April 26-27 location TBD
July 29-30 in The Dalles	July 28-29 in Prineville	July 26-27 location TBD
October 28-29 in Grants Pass	October 27-28 in John Day	October 25-26, 2016 TBD

For online access to staff reports and other OWEB publications check our web site: www.oregon.gov/OWEB.



Oregon

John A. Kitzhaber, MD, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Renee Davis, Deputy Director
SUBJECT: **Agenda Item B: Focused Investment Partnership Process and Priority-Setting
March 18, 2015 OWEB Board Meeting**

I. Introduction

This staff report updates the Board about the status of the Focused Investment Partnership process to date and presents information about the Focused Investment Partnership Priority categories that the Board outlined at the January 2015 meeting. Following public comment about Focused Investment Partnership Priorities, the Board will discuss the Priority categories and provide guidance to staff about additional work to be completed for the priority-setting process in preparation for a Board decision about Priorities at the April 2015 meeting.

II. Background

In June of 2013, the OWEB Board approved its Long-Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

Though OWEB has participated in efforts that align with the qualities of 'focused investments' in the past, there has been no formal definition, process or solicitation approach for the program. In October of 2013, OWEB kicked off two processes. First was a nine-month process to develop the definition, criteria, and program design (including solicitation approach and process) for the Focused Investment category of OWEB funding. The process involved work groups of both external stakeholders and internal staff to provide input to the Board on the program and its design and implementation. The initial nine-month process included the following milestones and opportunities for public comment:

- January 2014 Board Meeting (Portland) – Board reviewed draft documents and solicited public comment; work groups then continued design process.
- March 2014 (all six OWEB regions) – OWEB staff held listening sessions in all regions of the state to receive input on the first draft of the solicitation process for Focused Investment Partnerships.
- April 2014 Board Meeting (Bandon) – OWEB Board received public comment on the draft solicitation process and other aspects of the Focused Investment Partnerships program as outlined above.
- July 2014 Board Meeting (The Dalles) – OWEB Board approved definition, criteria, solicitation approach, timeline and priority selection processes.

Attachment A describes the definition, criteria and solicitation approach that the Board adopted in July of 2014. The document describes a two-phase process for the Focused Investment Partnership

program: 1) Priority-setting by the Board for Focused Investment Partnership and 2) Solicitation for Focused Investment Partnerships. These two phases are distinct and sequenced, with the Board first setting priorities that have clear ecological significance to the state, then soliciting for partnership proposals within the broader priorities set by the Board.

The Board currently is in Phase 1, the priority setting phase for the Focused Investment Partnerships program. This phase will conclude in April of 2015, at which time the Board will select Focused Investment Partnership Priorities for use during the first solicitation for Focused Investment Partnerships. Following priority setting, OWEB will solicit for Focused Investment Partnership proposals (see Attachment B for an outline and schedule of the solicitation process that was approved by the Board in October of 2014).

III. Focused Investment Partnership Priority Setting Process

In August of 2014, OWEB initiated the priority setting process, which is the second process and is described in Attachment C. The process began by soliciting input from stakeholders around the state about suggestions for Priorities, which were due October 15, 2014. At the October 2014 Board meeting, staff provided a brief update about the 42 submissions. Following submission of these priority suggestions, the staff and the Board subcommittee on Focused Investments reviewed the input received and grouped related submissions into 12 priority theme areas. This grouping assisted technical experts convened to answer questions and provide input to the OWEB Board to inform its deliberations about Priorities of significance to the state.

At the January 2015 meeting, staff summarized the 12 priority themes (Attachment D), and the Board received public comment. The Board discussed both broad issues related to priority setting (e.g., how to leverage previous work to identify limiting factors for habitats/species of interest, at what scale can priorities be set to help achieve ecological outcomes of significance to the state) and specific questions about each of the 12 priority theme areas (Attachment E). The Board also considered other options for organizing the priority themes that would result in a more defined focus on habitat, the species supported by these habitats, the primary limiting factors for these habitats and species, and actions that can be taken to address limiting factors.

Ultimately, the Board discussed reframing the themes into seven areas, which serve as the framework for subsequent work on priority setting:

- 1) Sage-grouse/Sage-steppe habitat,
- 2) Dryside forest habitat,
- 3) Oak woodland habitat,
- 4) Closed Basin wetland habitat,
- 5) Coastal coho habitat and populations,
- 6) Inland anadromous fish habitat and populations, and
- 7) Inland non-anadromous fish habitat and populations.

In addition to reframing, the Board determined an interim Board meeting in March of 2015 was necessary to continue the priority-setting conversation in advance of adopting priorities at the April meeting.

IV. Reframed Themes for Priorities for Discussion at the March Board Meeting

Following the January Board meeting, staff worked with the Board Subcommittee on Focused Investments and technical experts to flesh out the priority themes based on the Board's guidance

and respond to questions raised at the January meeting that were relevant to their deliberations (see Attachment F for a list of the experts consulted). In addition, staff met with fish experts (including focused conversations with staff from Oregon Department of Fish and Wildlife's Fish Division) to discuss the aquatic habitat themes described by the Board in January. Experts recommended combining the inland anadromous and non-anadromous themes, given that anadromous and non-anadromous species often use the same inland aquatic habitats and share limiting factors. Staff proceeded with this recommendation in mind, noting that if the Board prefers to again split the combined fish theme into separate anadromous and non-anadromous themes, this change will be possible to complete relatively simply given that the difference is primarily one of lumping versus splitting of species depending on the same or similar habitats.

Based on this additional input from experts, staff refined the thematic titles for six priority categories:

- 1) Sagebrush/Sage-steppe Habitat,
- 2) Oregon Closed Lakes Basin Wetland Habitat,
- 3) Dryside Forest Habitat,
- 4) Oak Woodland and Prairie Habitat,
- 5) Coastal Coho Habitat and Populations, and
- 6) Inland Aquatic Habitat for Native Fish Species.

Attachment G describes the evolution of the priority themes between October 2014 and March 2015, and depicts how the 42 priority suggestions crosswalk into the six thematic categories listed above. This crosswalk was completed at the request of the Board and subcommittee to ensure that all 42 priority suggestions still largely align with at least one of the six thematic categories.

Staff prepared theme summaries for the six reframed priority themes in preparation for the March special Board meeting (Attachment H). In keeping with the emphasis on habitat, the summaries list the habitat, highlight the key species that are of interest/significance to the state which depend on this habitat, list the key limiting factors for the habitat and/or species, and denote the major conservation and recovery plans that outline limiting factors and priority actions needed to address these. As follow-up to the discussion at the January Board meeting, the Board subcommittee on Focused Investments underscored the importance of drafting the priority theme summaries with an emphasis on limiting factors, in order to strengthen the link to the Focused Investment Partnership program's emphasis on ecological outcomes.

The habitat approach based on limiting factors for key species is inclusive of large geographies, yet relies on major, scientifically vetted conservation and recovery plans to describe actions that will address the primary limiting factors in specific locations. This approach helps answer many of the scale-related questions that were raised by the Board at the January meeting. The theme summaries in Attachment G also reflect input from experts about some theme-specific questions that were posed at the January meeting. Other questions will be addressed at the Focused Investment Partnership solicitation stage, which begins in May of 2015 and during which local partnerships will propose to focus their initiatives on strategies identified in the high-level plans listed for each of the Priority Theme summaries.

At the March meeting, the Board will review the summaries of the reframed priority themes, hear public comment and provide guidance to staff about additional work to be completed for the

priority-setting process in preparation for a Board decision about Focused Investment Partnership Priorities at the April 2015 meeting.

V. Recommendation

This is a discussion item only. Final decisions about Focused Investment Partnership Priorities will be made at the April 2015 meeting.

Attachments

- A. Focused Investment Partnership Program definition and program design document
- B. Focused Investment Partnership Program solicitation timeline
- C. Focused Investment Partnership Priority Setting process and timeline
- D. 12 Priority Themes and groupings of Priority Suggestions Discussed at the January 2015 Board meeting
- E. Summary of January 2015 Board meeting discussion of Focused Investment Partnership Priorities
- F. List of Experts Consulted to-date during the Priority Setting Process
- G. Evolution of the Focused Investment Partnership Priority Themes and groupings of the Priority Suggestions as of March 2015
- H. Theme summaries for the six reframed Focused Investment Partnership Priority Themes

Focused Investment Partnerships

Definition, Criteria and Solicitation Approach

The OWEB Board will establish a process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state. Within those priorities, the Board will solicit for Focused Investment Partnerships, one of several forms of focused investments.

Focused Investment Partnership Definition

A Focused Investment Partnership is an OWEB investment that:

- Addresses a Board-identified Focused Investment Priority of significance to the state;
- Achieves clear and measurable *ecological outcomes*;
- Uses integrated, results-oriented *approaches* as identified through a *strategic action plan*;
- Is implemented by a high-performing *partnership*.

OWEB's Focused Investment Partnership investments will be made in two categories:

- 1) Focused Investment Partnership Implementation - For an investment with an existing strategic action plan that is ready for implementation, a Focused Investment will be made by OWEB for a defined dollar amount over a limited time. Partnerships may apply subsequently for a different Focused Investment Partnership program in the same or a different Board-identified Focused Investment Priority.
- 2) Focused Investment Partnership Capacity-Building - The Board will also provide two-year funding for partnerships who are prospective FIP applicants to strengthen their capacity and to strengthen strategic action plans for a Focused Investment priority.

Criteria Categories *The definition is further refined by criteria in the following categories that will be used by the OWEB Board to select investments.*

Focused Investment Partnerships will have both limited funding and duration. As such, groups selected for a Focused Investment Partnership will need to demonstrate that their Focused Investment Partnership programs meet a high standard of achievement. Board investments will be determined within the following criteria categories:

- 1) Significant, clear and measurable *ecological outcomes* that address a Board-Identified Focused Investment Priority.
- 2) The partners must have an existing *strategic action plan* that employs integrated, results-oriented *approaches*. The strategic action plan will:
 - a) Clearly define the measurable ecological outcomes as identified above, ensuring they are reasonable given resources and constraints.
 - b) Clearly articulate achievable goals, an identified geography and a realistic scale and time period for the program.
 - c) Identify the metrics, milestones and established benchmarks for success for the outcomes.
 - d) Utilize an adaptive management approach. This includes measuring and monitoring progress including monitoring procedures to evaluate the success of goals and objectives described in the strategic action plan.
 - e) The plan must also include communication strategies with funders and others regarding the plan's progress toward implementation.

The strategic action plan and any associated OWEB requests for funding must be realistic in terms of conservation impact, outcomes, partnerships and effectiveness monitoring.

- 3) The applicants must clearly demonstrate the *Partners* involved are necessary and sufficient to implement the program outlined in the strategic action plan. Partners must have formed a productive partnership that includes:
- a) Defined relationships that clearly describes the roles and responsibilities of each partner.
 - b) Demonstrated capacity to:
 1. Take on their identified roles and operate under a common vision;
 2. Implement conservation work at a scale larger than a single project;
 3. Realistically accomplish the identified ecological outcomes.
 - c) A clear link that shows the outcomes are within each organization's mission and scope
 - d) A demonstrated strong record of conservation achievement by the partners individually and collectively.

The partnership must also leverage OWEB funding with other resources. This may be achieved by recruiting funding partners, or by accessing other resources critical to implementation.

Solicitation Approach

OWEB is developing three processes for Focused Investment Prioritization, Partnership Capacity and Implementation solicitation. The priority selection process will be completed before solicitation for programs can begin. The program selections (2&3 below) will run simultaneously.

- 1) A Board process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state, drawing from proposals by groups, organizations, state and federal agencies, individuals, OWEB, the Governor's office, Oregon Tribes, and others. Proposed priorities should be based on sources such as the state's Conservation Strategy, the Oregon Plan for Salmon and Watersheds, Governor's priorities, the Agricultural Water Quality Program, the Integrated Water Resources Strategy, recovery plans, etc. The Board will review priorities each biennium to consider adding new priorities and ensure the existing priorities continue to be important.

Process for selecting each of the OWEB Focused Investment Partnership types:

- 2) Capacity-Building - A process for selecting among proposals for investments up to two years that support existing partnerships within Board-identified priorities to:
 - a) Enhance or strengthen a strategic action plan for a Focused Investment Priority; and/or
 - b) Strengthen the capacity of existing partnerships. Applications must:
 - Demonstrate a strong commitment of the partners to meet the Focused Investment criteria in the future, and
 - Clearly identify how this funding will help them achieve the steps to meet Focused Investment Partnership criteria.

NOTE: Receipt of Capacity funding does not guarantee Focused Investment Implementation funding from OWEB.

- 3) Implementation - A process for selecting applications for Focused Investment Partnerships funding as outlined in the criteria, in which applicants must:
 - Identify the Focused Investment Priority the proposal addresses
 - Provide a strategic action plan
 - Demonstrate partnership capacity

***Focused Investment Partnerships:
Solicitation Process, October 2014***

CAPACITY-BUILDING FUNDING	IMPLEMENTATION FUNDING
May1-July 1, 2015	May1-July 1, 2015
Letters of Intent submission period. Due date: July 1, 2015.	Application Phase I submission period. Due date: July 1, 2015.
July1-August 15, 2015	July1-August 15, 2015
Staff receives Letters of Intent. Upon receipt, staff will inform applicants of next steps in the process. This stage is not intended to be a pre-screening for applications and will not include any evaluative action.	Staff convenes technical teams designated for each priority area for review of Phase I applications.
	Subcommittee takes information from staff and technical teams, and invites select partners to submit Phase II application materials, including work plan and budget. Other applicants not invited can submit if they choose, though it will be noted there is limited funding available.
August 15-October 31, 2015	August 15-October 31, 2015
Capacity-Building full application submission period. Due date: October 31, 2015.	Application Phase II submission period. Due date: October 31, 2015.
November 1-January 8, 2016	November 1-January 8, 2016
RPRs review Capacity-Building applications and provide feedback to capacity review team and subcommittee for their consideration.	RPRs review applications and provide feedback to technical review teams and subcommittee for their consideration.
Staff convenes state capacity review team to make recommendations to subcommittee through staff.	Staff convenes technical review teams designated for each priority area to complete a technical review of applications in their area and provide feedback.
Subcommittee reviews feedback from RPRs and recommendations from the state capacity review team. Provides final recommendations for funding to Board based on available funds.	Subcommittee receives applications, technical teams and RPRs feedback, and asks any follow-up questions of RPRs and/or technical teams.
	Subcommittee interviews all applicants, negotiates budgets, and recommends Implementation grants for funding based on available funds.
January 2016 Board Meeting	January 2016 Board Meeting
Board reviews subcommittee recommendations and selects Capacity-Building programs for funding. There will be an opportunity for public comment at this time.	Board reviews subcommittee recommendations and selects Implementation programs for funding. There will be an opportunity for public comment at this time.

Input for Board Proposed Priority Consideration

Between August 2014 and April 2015, the OWEB Board will receive input as it develops a set of priorities of statewide ecological significance for Focused Investment Partnership funding. This is a new process for the OWEB Board. These priorities will apply only to the Focused Investment Partnership funding within OWEB's spending plan (currently between 10-12% of OWEB's funds). In an effort to secure early advice and input from a broad cross-section of stakeholders, the Board has developed a set of questions for stakeholder response.

If you are interested in providing input to the Board during this first phase of priority-setting, please respond to the attached questions in a letter. The letter should not exceed ten pages. The Board has identified these questions as a part of their decision-making process. Your feedback will help them better understand priorities from a variety of perspectives.

The steps for priority-setting are as follows:

- 1) August 1-October 15, 2014 OWEB Board receives potential priorities recommendations from stakeholders
- 2) October 28-29, 2014 OWEB Board meeting in Grants Pass - opportunity for stakeholders to provide input on priority proposals and receive additional suggestions during public comment process
- 3) October-December, 2014 OWEB staff and Focused Investment Subcommittee review input; combine similar proposals and develop summary for Board, along with preliminary recommendations
- 4) January 27-28, 2015 OWEB Board Meeting in Astoria – Board reviews subcommittee summary; additional opportunity for stakeholders to provide feedback on proposals during public comment
- 5) January-March, 2015 Subcommittee and staff solicit additional input as needed through a variety of mechanisms; revise proposals based on feedback from Board and stakeholders
- 6) April 28-29, 2015 Board Meeting in Salem - review final draft priorities; additional opportunity for public comment; Board approves final priorities

If you would like further information about this process or to ask questions, please contact Meta Loftsgaarden at OWEB - meta.loftsgaarden@state.or.us.

12 "Themes" and the 42 Associated Suggested Ideas for Focused Investment Priorities

NOTE: Priority submissions were organized into themes OWEB staff for the purpose of efficiently gathering input and advice from technical experts to inform the OWEB Board

Organizing Theme for Priorities
Suggested Priority Ideas submitted as part of OWEB's 2014 Priority Input Process (see http://www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx for more information)
Closed Basin Wetland/SONEC
Harney Basin wetlands
SONEC basin floodplains
Cross-Theme (these suggested ideas cross over more than one theme)
Assessments of water utilities and irrigation districts
Fish and wildlife habitat connectivity
Fish passage restoration
Deschutes Aquatic Habitat
Conserving a unique spring-fed river system
Lower Deschutes salmon and steelhead stronghold
Salmon and steelhead reintroduction in the Deschutes River Basin
Dryside Forests
Restoration of dry-mixed conifer forests
Grande Ronde Native Fish
Upper Grande Ronde native fish habitat
John Day Native Fish Habitat
Accelerated restoration in the Upper North Fork John Day
Instream habitat and upland plant communities of the John Day Basin
John Day Basin cold water salmonid habitat
John Day Basin restoration of aquatic and upland habitats
Lower John Day River whole watersheds restoration initiative
Restoration of habitats in the John Day River Basin
Lower Columbia Native Fish Habitat
Chum conservation
Hood River salmon, steelhead, and bull trout habitat
Protecting Oregon estuaries from climate change
Sandy River Basin initiative
Oak Woodlands
East Cascades oak woodlands
Oak woodlands in southern Oregon
Willamette Valley oak and prairie habitats
Aquatic ecosystems in Upper Klamath Basin
Governor's water quality priority: Upper Klamath Basin
Oregon Coast
Governor's priority: Coastal Coho
Integrated land stewardship for salmon, Cape Blanco area
Oregon Coast Coho
Oregon Coast estuarine habitats
Oregon Coastal Coho habitat, with focus on family, forests, and farms
Reigniting the Oregon Plan: Achieving restoration-scale in coastal sedimentary basins
Rogue Basin native fish population, capacity building
Rogue River stream corridors
Tillamook-Nestucca fish passage partnership
Umpqua and Rogue River basins native fish habitat: Lamprey
Upland/Riparian restoration in the coastal ecoregion
Wild rivers coast estuaries
Sage Steppe/Sage Grouse
Governor's priority: Sage Steppe
Oregon model to protect sage grouse
Upper Klamath Native Fish Habitat and Water Quality
Aquatic ecosystems in Upper Klamath Basin
Governor's water quality priority: Upper Klamath Basin
Willamette Basin Aquatic Habitat and Water Quality
McKenzie River conservation of native fish, wildlife and other natural resources
Oregon's river/Our river: Willamette Basin rivers, streams and riparian forests
Governor's water quality priority: Willamette Basin

January 27/28, 2015 Board Meeting

Board Meeting Flip Chart Notes

Board Discussion - General

Scale

- What is a “grip-able” scale?
- At what scale can we make a measurable impact?
- How do we prioritize scales in each theme area?

Best Investment

- What kind of funding will OWEB need to contribute to address each theme?
- What work has been done up to this point in each of the theme areas? How much funding has already been invested in each theme area?
- Should we be aware of bigger issues involved? Are we patching a system that is broken elsewhere?
- Are there smaller geographies where the OWEB investment can fill gaps and make a difference?
- What actions are the biggest bangs for the buck?
- What is the significance of the impact of the FIP investment?

Limiting Factors/Ecological Outcomes

- What ecological targets would you set for each of the themes? Or, what benchmarks would you assign for each of these theme areas?
- What theme areas have Recovery Plans or other conservation strategies that can provide clear paths to action?
- What are ecosystem-related consequences with habitat loss?
- Should species population be considered the ultimate goal for the ecological outcome?
- What are the trends in the limiting factors? Improving? Declining?
- Are there habitat connectivity issues to consider for ecological outcomes and potential impact of investment?
- What is the overlap with listed species in the habitat and/or geography?
- What does a refined list of limiting factors look like? What is the feasibility of getting there?

Common Questions among each Theme

- Where do Themes overlap? (e.g. SONEC and Sage-grouse)
- What is the downside to not acting in any one theme area?
- Do partnerships exist that are ready?
- How much state and federal commitment has gone in to the area?
- What is the land ownership at various scales?
- What are the potential opportunities with private land owners?
- Who’s managing habitat and/or species in this area?
- What are the pieces that need to be complete in order to “get there”?

Board Discussion – Specific Themes

SONEC

- Because this is intercontinental, should we be aware of bigger limiting factor issues elsewhere?
- What impact will an Oregon FIP make in the intercontinental context?

Sage-grouse

- What is the congressional/legislative situation on the listing?
- What is the likelihood of avoiding a listing?
- What are implications of this?
- What would be Oregon's role in impacting the listing decision on a regional scale?

Grande Ronde

- What are the issues in the lower basin as a result of dams?
- Do these need to be addressed before investments are made in the upper basin?
- Can we add the Umatilla tribes to our list of expert consultations?
- Needs more precise input about scale (e.g. Catherine Creek as a Priority)

Dryside Forests

- We'd like clarity on ecological outcomes related to resiliency and forest health.
- What is the minimum area in this large theme to track social and ecological outcomes?
- What is the minimum area that still affords partnership opportunities with Forest Collaboratives?
- What are smaller pieces in these geographies that have reasonable costs over time?
- What does it mean to restore a natural fire regime? What are implications of this?
- Can we use the 'heat map' (submitted during public comment by Mark Stern) to prioritize focus areas in this theme?

John Day

- Do we know where best ripeness is in the John Day basin?
- Should we leave the Priority open/broad enough for partnership opportunities around limiting factors?

Upper Klamath

- Is KBRA going to be supported?
- Is there a non-KBRA plan?
- Can an OWEB FIP make an impact on phosphorous nutrient loading in the UK Lake?
- How is California addressing Klamath basin issues? And to what extent are Oregon's and California's efforts connected?

Deschutes

- What has been the progress towards de-listing bull trout and steelhead? What are the implications of this?
- Where does the remaining work need to take place? Upper basin? Entire basin?
- What are the remaining pieces to address?
- What has been accomplished with the \$300M investment to date that OWEB can contribute to moving forward?
- Can a Priority address self-sustaining solutions? (e.g. no more trap/haul at the dams)

Oak Woodlands

- Does this theme involve restoration, acquisition, or both?
- Do oak woodlands and prairies need to be involved in all areas? Does this affect areas based on ownership?

Lower Columbia River

- What is a more refined list of limiting factors?
- Is entire LCR a good scale to invest? Perhaps the Sandy or another watershed is a better investment?
- Is this summary missing any projected social outcomes (e.g. awareness- is this a reason to invest in these areas)?
- What is the state and national significance?
- What is a more specific focus of the Priority?
- What is the threat in the Bull Run watershed?
- What can be done with anadromous fish versus other species?

Willamette

- What and where is ripe in the Willamette?
- Are ecological outcomes within the budget of a Priority?
- Why is the role of OWEB focused on social capital instead of on-the-ground restoration?
- How do we determine the ecological outcomes within an OWEB budget?

Oregon Coast

- Can we see a geopolitical map to illustrate who's managing what areas and species?
- With as many studies as have occurred here, can the experts tell us where to target? Where can we make the biggest difference?
- How can the Coast theme be broken down more? By habitat and coho population? By geography? What else and how would each break-down look?
- We need an understanding of the regulatory framework in coastal areas to see how/what OWEB funding can do.

Cross-theme

- These are too big for a Priority; feel like they should be addressed by other agencies (e.g., Water Resources, Oregon Department of Forestry)

Other Questions/Comments

- Will the Board need to rank the Priorities?
 - This is up to the Board how to rank, group, or not for all Priorities.
 - It will be challenging to prioritize the priorities as a Board.
- Priorities must be important to the Board and timely
 - The goal is not to jump to the project level
 - The focus should be on the Priority – the people/partnerships bring the projects
 - The community comes up with the solutions
 - Consider the cost/benefit
- Who are the experts? Why did we choose these experts? What were the questions and answers? What are the expert's backgrounds?
- What is the Board's ability to change themes?
- What regulatory processes are in place to fix the problem?

Ideas for Framing Themes Differently

Option 1

- 1) Upland: Sage-grouse/Sage-steppe
- 2) Forest Health: Dry woodland, Oak? (combine with above?)
- 3) Aquatic: Coastal coho (habitat & population); Inland fish (freshwater); Inland anadromous
- 4) Closed Basin

Tie to specific ecological outcome

- What do we expect for a proposal?

Option 2

Identify the organizing themes

- Select/decide which themes will achieve the right outcomes

Option 3

Identify statewide significance

- Move forward with selection now versus later

Option 4

Continue with existing framework

- Focus on proposal that demonstrate that they move the needle
- Could take the topic (e.g., sage-grouse) and convert into an outcome to define the Priority
- Restate the themes with active language
- Need to add an element of measurable outcome

Opportunities

- Provides a framework (help communicate)
- Need to describe the Priorities (what we want) – help the applicants understand what we want
- Partners on the ground are working and leveraging funding – choose proposals that demonstrate they can move the needle

Challenges

- It's difficult to prioritize the priorities as a Board
- Limit water quality to fish
- If Priorities are too broad, there may be too many proposals to say no to
- There are questions around whether something gets excluded
- Can't assume 42 submissions are the only priority inputs out there

Final Decision by the Board about Reframed Themes

- 1) **Sage-grouse/Sage-steppe habitat**
- 2) **Dryside forest habitat**
- 3) **Oak woodland habitat**
- 4) **Closed Basin wetland habitat**
- 5) **Coastal coho habitat and populations**
- 6) **Inland anadromous fish habitat and populations**
- 7) **Inland non-anadromous fish habitat and populations**

Focused Investment Partnership Program

Priority-setting Process

March 2015



List of Expert Input Contributors to Date – November 2014 – March 2015

The following list includes experts consulted for Rounds 1 and 2 according to the priority themes developed at the January 2015 Board meeting. Since the six fish-related themes (pages 3 and 4 below) were aggregated into the Aquatic Habitat for Native Fish Populations priority theme, OWEB staff consulted a subset of those basin-level experts for this theme. Staff has included the Round 1 expert list by basin in order to acknowledge their valuable input.

This list will expand as additional experts are consulted. Current experts may be revisited for additional input as well.

Oregon Closed Lakes Basin Wetland Habitat

- E.Lynn Burkett, US Bureau of Land Management
- Kevin Conroy, Natural Resources Conservation Service
- Susan Haig, Oregon State University, US Geological Survey
- Esther Lev, The Wetlands Conservancy
- Mary Lou Soscia, US Environmental Protection Agency
- Martin St. Louis, Oregon Department of Fish & Wildlife
- Bruce Taylor, Oregon Habitat Joint Venture

Sagebrush/Sage-steppe Habitat

- Dave Budeau, Oregon Department of Fish & Wildlife
- E.Lynn Burkett, US Bureau of Land Management
- Dustin Johnson, Oregon State University
- Jeremy Maestas, US Natural Resources Conservation Service
- Mary Lou Soscia, US Environmental Protection Agency
- Bruce Taylor, Oregon Habitat Joint Venture
- Yvonne Vallette, US Environmental Protection Agency

Dryside Forest Habitat

- Bill Aney, US Forest Service
- Chad Davis, Oregon Department of Forestry
- Emily Jane Davis, Oregon State University
- Maia Enzer, US Forest Service
- Cass Moseley, University of Oregon
- Rick Wagner, Oregon Department of Forestry

Oak Woodland and Prairie Habitat

- Bob Altman, American Bird Conservancy
- Peg Boulay, University of Oregon
- Bobby Brunoe, Confederated Tribes of Warm Springs
- Callee Davenport, US Fish & Wildlife Service

- Joan Hagar, US Geological Survey, Oregon State University
- Brad Houslet, Confederated Tribes of Warm Springs
- Jarod Jebousek, US Fish & Wildlife Service
- Clay Penhollow, Confederated Tribes of Warm Springs
- Chris Seal, US Fish & Wildlife Service
- Jonathan Soll, METRO Regional Government
- Mary Lou Soscia, US Environmental Protection Agency
- Bruce Taylor, Oregon Habitat Joint Venture
- Yvonne Vallette, US Environmental Protection Agency

Coastal Coho Habitat and Populations

- Stan Allen, Pacific States Marine Fisheries Commission
- James Anthony, Oregon Department of Fish and Wildlife
- Dan Avery, Oregon Department of Fish & Wildlife
- Dan Bottom, National Oceanic and Atmospheric Administration
- Cheryl Brown, US Environmental Protection Agency
- Megan Callahan-Grant, National Oceanic and Atmospheric Administration
- Gordon Grant, US Forest Service
- Dave Jepsen, Oregon Department of Fish and Wildlife
- Gordie Reeves, Oregon State University, US Forest Service
- Steve Rumrill, Oregon Department of Fish & Wildlife
- Mary Lou Soscia, US Environmental Protection Agency
- Thomas Stahl, Oregon Department of Fish and Wildlife
- Yvonne Vallette, US Environmental Protection Agency
- Rob Walton, National Oceanic and Atmospheric Administration

Aquatic Habitat for Native Fish Communities

- James Anthony, Oregon Department of Fish and Wildlife
- Kevin Blakely, Oregon Department to Fish and Wildlife
- Renee Coxen, National Oceanic and Atmospheric Adminsitration
- Rod French, Oregon Department of Fish and Wildlife
- Gordon Grant, Oregon State University and US Forest Service
- Stan Gregory, Oregon State University
- Michael Harrington, Oregon Department of Fish and Wildlife
- Bob Hassmiller, US Forest Service
- Dave Jepsen, Oregon Department of Fish and Wildlife
- Nick Myatt, Oregon Department of Fish and Wildlife
- Peter Paquet, Northwest Power and Conservation Council
- Gordie Reeves, Oregon State University and US Forest Service
- Dirk Renner, US Fish and Wildlife Service
- Thomas Stahl, Oregon Department of Fish and Wildlife
- Amy Unthank, US Forest Service

Round 1 Experts by Priority Basin Themes
November 2014 – January 2015

Deschutes Aquatic Habitat

- Nancy Breuner, Oregon Department of Fish & Wildlife
- Bobby Brunoe, Confederated Tribes of Warm Springs
- Rick Craiger, Oregon Watershed Enhancement Board, Retired
- Gordon Grant, US Forest Service
- Brett Hodgson, Oregon Department of Fish & Wildlife
- Bob Hooten, Oregon Department of Fish & Wildlife
- Brad Houslet, Confederated Tribes of Warm Springs
- Jim Martin, PureFishing Inc.
- Clay Penhollow, Confederated Tribes of Warm Springs
- Gordie Reeves, Oregon State University, US Forest Service
- Dirk Renner, US Fish & Wildlife Service
- Bruce Taylor, Oregon Habitat Joint Venture

Grande Ronde Native Fish

- Tim Bailey, Oregon Department of Fish & Wildlife
- Renee Coxen, National Oceanic and Atmospheric Administration
- Logan McCrea, Oregon Department of Forestry
- Mary Lou Soscia, US Environmental Protection Agency
- Yvonne Vallette, US Environmental Protection Agency
- Rick Wagner, Oregon Department of Forestry

John Day Native Fish Habitat

- Bobby Brunoe, Confederated Tribes of Warm Springs
- Tom Friedrichsen, US Forest Service
- Gordon Grant, US Forest Service
- Robert Hassmiller, US Forest Service
- Brad Houslet, Confederated Tribes of Warm Springs
- Jim Martin, PureFishing Inc.
- Steve Namitz, US Forest Service
- Clay Penhollow, Confederated Tribes of Warm Springs
- Gordie Reeves, Oregon State University, US Forest Service
- Dirk Renner, US Fish & Wildlife Service

Lower Columbia Native Fish Habitat

- Jim Martin, PureFishing Inc.
- Mary Lou Soscia, US Environmental Protection Agency
- Yvonne Vallette, US Environmental Protection Agency

Upper Klamath Native Fish Habitat and Water Quality

- Matt Barry, US Fish & Wildlife Service
- Heather Bernier, US Bureau of Land Management
- Kevin Conroy, US Natural Resources Conservation Service
- Larry Dunsmoor, Klamath Tribes
- Christine Karas, US Bureau of Reclamation
- Dennis Lynch, US Geological Survey
- Jared McKee, US Fish & Wildlife Service
- Bill Tinniswood, Oregon Department of Fish & Wildlife
- Yvonne Vallette, US Environmental Protection Agency
- Dani Watson, Ranch and Range Consulting

Willamette Basin Aquatic Habitat and Water Quality

- Gordon Grant, US Forest Service
- Stan Gregory, Oregon State University, Retired
- Dave Hulse, Oregon State University
- Steve Marx, Oregon Department of Fish & Wildlife
- Peter Paquet, Northwest Power and Conservation Council
- Todd Reeve, Bonneville Environmental Foundation
- Mary Lou Soscia, US Environmental Protection Agency
- Yvonne Vallette, US Environmental Protection Agency
- Rose Wallick, US Geological Survey
- Pam Wiley, Meyer Memorial Trust

OWEB Board Priority-Setting Process October 2014 – March 2015

42 Suggestions for Focused Investment Priorities October 2014

Staff received 42 priority suggestions from interested groups around the state.



12 Geographic/Habitat-Based Themes October 2014

Staff grouped the 42 priority proposals into 12 mainly geographic themes to assist the Board with having a focused discussion around priority-setting at its January 2015 meeting in Astoria. Staff met with small groups of “experts” for each of the 12 themes and walked through the same set of questions with each. Questions centered on issues of statewide significance, geographic scale, ripeness, and whether an OWEB investment can ultimately create ecological uplift. Staff then prepared brief summaries for each theme, which the OWEB Board received ahead of the January meeting. The 12 themes were:

- | | |
|--|--|
| 1 – Oak Woodlands | 7 – Deschutes Aquatic Habitat |
| 2 – Closed Basin Wetland/SONEC | 8 – Grande Ronde Native Fish |
| 3 – Sage-Steppe/Sage Grouse | 9 – Willamette Basin Aquatic Habitat and Water Quality |
| 4 – Lower Columbia Native Fish Habitat | 10 – Oregon Coast |
| 5 – U. Klamath Native Fish Habitat and Water Quality | 11 – Dryside Forests |
| 6 – John Day Native Fish Habitat | 12 – Cross-Theme |



7 Habitat/Species-Based Themes January 2015 Board Meeting in Astoria

At the Astoria Board meeting, the Board reframed the priority themes from a more geographically oriented focus to a habitat based focus, which the Board noted would be consistent with the Focused Investment Partnership program’s emphasis on ecological outcomes. The end result was seven broad habitat based themes:

- | | |
|--|-------------------------------------|
| 1 –Coastal coho habitat and populations | 5 – Sage-steppe/Sage-grouse habitat |
| 2 –Inland native non-anadromous fish habitat and populations | 6 – Dryside forest habitat |
| 3 –Inland anadromous fish habitat and populations | 7 – Oak woodland habitat |
| 4 – Closed Basin wetland habitat | |



6 Habitat/Species-Based Themes February 2015

In preparation for the March 2015 special Board meeting, staff met with fish experts to discuss the aquatic habitat themes (i.e., themes 1-3 above). Experts recommended combining 2 and 3 above into one thematic category, given that anadromous and non-anadromous species often use the same inland aquatic habitats and share limiting factors. Staff cross-walked the 42 priority submissions to ensure that each of these align with at least one of the six thematic categories (see reverse). The six themes are:

- | | |
|--|---|
| 1 – Dryside Forest Habitat | 4 – Oregon Closed Lakes Basin Wetland Habitat |
| 2 – Inland Aquatic Habitat for Native Fish Species | 5 – Coastal Coho Habitat and Populations |
| 3 – Oak Woodland and Prairie Habitat | 6 – Sagebrush/Sage-steppe Habitat |

Cross-Walk of All Priority Proposal Submissions with the Six Thematic Categories

NOTE: At the request of the OWEB Board, staff cross-walked the 42 priority proposal submissions into the six thematic categories that staff has prepared for the March 2015 special Board meeting in Salem. This cross-walk ensures that all priority input has been included in the Board's priority-setting process.

Organizing Theme for Priorities
Suggested Priority Ideas submitted as part of OWEB's 2014 Priority Input Process (see http://www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx for more information)
Dryside Forest Habitat
Restoration of dry-mixed conifer forests
Inland Aquatic Habitat for Native Fish Species
Assessments of water utilities and irrigation districts
Fish and wildlife habitat connectivity
Fish passage restoration
Conserving a unique spring-fed river system
Lower Deschutes salmon and steelhead stronghold
Salmon and steelhead reintroduction in the Deschutes River Basin
Upper Grande Ronde native fish habitat
Accelerated restoration in the Upper North Fork John Day
Instream habitat and upland plant communities of the John Day Basin
John Day Basin cold water salmonid habitat
John Day Basin restoration of aquatic and upland habitats
Lower John Day River whole watersheds restoration initiative
Restoration of habitats in the John Day River Basin
Chum conservation
Hood River salmon, steelhead, and bull trout habitat
Sandy River Basin initiative
Rogue Basin native fish population, capacity building
Rogue River stream corridors
Umpqua and Rogue River basins native fish habitat: Lamprey
Aquatic ecosystems in Upper Klamath Basin
Governor's water quality priority: Upper Klamath Basin
McKenzie River conservation of native fish, wildlife and other natural resources
Oregon's river/Our river: Willamette Basin rivers, streams and riparian forests
Governor's water quality priority: Willamette Basin
Oak Woodland and Prairie Habitat
East Cascades oak woodlands
Oak woodlands in southern Oregon
Willamette Valley oak and prairie habitats
Oregon Closed Lakes Basin Wetland Habitat
Harney Basin wetlands
SONEC basin floodplains
Fish and wildlife habitat connectivity
Fish passage restoration
Coastal Coho Habitat and Populations
Fish and wildlife habitat connectivity
Fish passage restoration
Protecting Oregon estuaries from climate change
Governor's priority: Coastal Coho
Integrated land stewardship for salmon, Cape Blanco area
Oregon Coast Coho
Oregon Coast estuarine habitats
Oregon Coastal Coho habitat, with focus on family, forests, and farms
Reigniting the Oregon Plan: Achieving restoration-scale in coastal sedimentary basins
Rogue Basin native fish population, capacity building
Rogue River stream corridors
Tillamook-Nestucca fish passage partnership
Upland/Riparian restoration in the coastal ecoregion
Wild rivers coast estuaries
Sagebrush/Sage-steppe Habitat
Governor's priority: Sage Steppe
Oregon model to protect sage grouse

SAGEBRUSH/SAGE-STEPPE HABITAT

Summary Statement of Priority

The OWEB Board will consider proposals for investment in **sagebrush/sage-steppe habitat** for initiatives that address habitat conservation and restoration needs that support ecological outcomes at the landscape scale.

Proposals must address primary limiting factors, including:

- **Altered fire regimes**
- **Invasive species**
- **Loss of habitat connectivity**
- **The need for successful approaches that restore specific types of sagebrush/sage-steppe habitats following fire**

OWEB's Focused Investment Priority for sagebrush/sage-steppe habitat supports voluntary actions that address primary limiting factors related to the quality of this habitat type. **These actions will be guided by the habitat and population objectives set forth in the State's sage-grouse strategy and the combined ecological and social outcomes described in the State's "All Lands, All Threats Plan," which are listed on page two of this document.**

Focal areas include those that have been identified in the above plans as Priority Areas for Conservation and important connectivity corridors between these areas (see explanation and map below). These areas have been identified as high priority for the recovery of greater sage-grouse.

Background

Where it occurs – Sage-steppe habitat occurs throughout eastern Oregon and in parts of Central Oregon. Several ecoregions identified in the Oregon Conservation Strategy (i.e., Northern Basin and Range, Blue Mountains, Columbia Plateau and East Cascades) contain this habitat type.

These habitats are both extensive and diverse. In general, sagebrush habitats occur on dry flats and plains, rolling hills, rocky hill slopes, saddles and ridges where precipitation is low. Sagebrush-steppe is dominated by grasses and forbs (more than 25 percent of the area) with an open shrub layer. In sagebrush steppe, natural fire regimes historically maintained a patchy distribution of shrubs and predominance of grasses.

Indicator species and/or species of interest supported by this habitat – Oregon Conservation Strategy Species associated with sagebrush include Greater sage-grouse, ferruginous hawk, loggerhead shrike, sage sparrow, Brewer's sparrow, sagebrush lizard, Washington ground squirrel, and pygmy rabbits. Other wildlife closely associated with sagebrush include: black-throated sparrow, sage thrasher, sagebrush vole, and pronghorn.

One particular species supported by sagebrush/sage-steppe habitat—the Greater sage-grouse—currently is being considered for listing under the federal Endangered Species Act and would be considered the primary indicator species for identification of priority investments for the OWEB Board through the Focused Investment Partnership program.

Why it is significant to the state – Sagebrush/sage-steppe habitat is one of the most imperiled habitat types in the U.S. In addition to supporting a range of species, these areas are associated with an

economically and socially important ranching and agricultural industry in communities throughout a large portion of the state. The state of Oregon is developing an “All Lands, All Threats Plan” to outline the actions necessary to conserve sage-grouse in Oregon in an effort to proactively avoid listing of the species. The plan has broad support by state and federal agencies, the ranching industry and conservationists.

Key limiting factors, with a focus on ecosystem function and process –

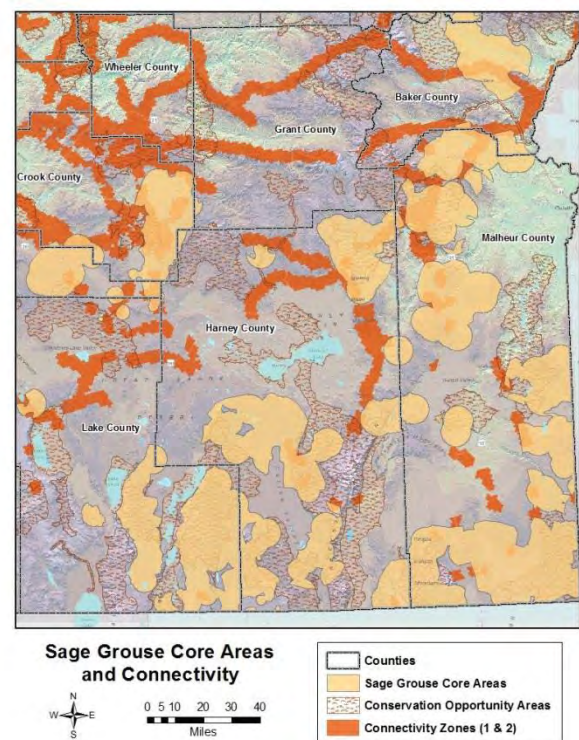
- Altered fire regimes, which result in changes to native plant communities and increased risk of habitat loss due to intense wildfires;
- Invasive species such as juniper and non-native grasses, which increase the frequency, intensity and extent of wildfires;
- Conversion to other land uses, which results in habitat loss and connectivity; and
- Limitations of current restoration technologies, particularly in low-elevation areas that face severe challenges to native plant species regeneration following wildfire.

Reference plans –

- 1) Oregon Conservation Strategy
(http://www.dfw.state.or.us/conservationstrategy/read_the_strategy.asp)
- 2) ODFW’s Greater Sage-Grouse Conservation Assessment and Strategy for Oregon
(<http://www.dfw.state.or.us/wildlife/sagegrouse/>)
- 3) Final report from the Sage-Grouse Conservation Objectives Team (COT) 2013
(<http://www.fws.gov/mountain-prairie/species/birds/sagegrouse/COT/COT-Report-with-Dear-Interested-Reader-Letter.pdf>)
- 4) All Lands, All Threats Plan (in development)

The U.S. Fish and Wildlife Service (FWS) and state experts developed a map of Priority Areas for Conservation (PACs), which are key habitats that are essential for sage-grouse conservation (see map to the right). PACs do not represent individual populations, but rather key areas that states have identified as crucial to ensure adequate representation, redundancy, and resilience for conservation of its associated population or populations.

In Oregon, ODFW’s sage-grouse strategy identifies core areas of habitat that align with the FWS’s PAC habitats. The core area approach uses biological information to identify important habitats with the objective of protecting the highest density breeding areas. See the Oregon core areas in the map, which provides this additional detail to the FWS analysis described above. The map also depicts connectivity zones that have been identified as important to the species. Sage-grouse habitat should be addressed on a landscape scale, given that connectivity of core areas is an important aspect of conserving the species. Landscape-scale sage-grouse conservation is critically



important in Oregon as the habitat present here, along with that in southwest Idaho and northeast Nevada, has been identified by FWS as one of two sage-grouse 'strongholds' in the U.S.

OREGON CLOSED LAKES BASIN WETLAND HABITATS

Summary Statement of Priority

The OWEB Board will consider proposals for investment in the **Closed Lakes Basin wetland habitats** for initiatives that address habitat conservation and restoration needs that support ecological outcomes at the landscape scale.

Proposals must address primary limiting factors, including:

- **Loss and degradation of wetland habitats, including salinization**
- **Water availability as a result of altered natural hydrologic functioning**
- **Invasive species, such as carp and non-native plants and macroinvertebrates**

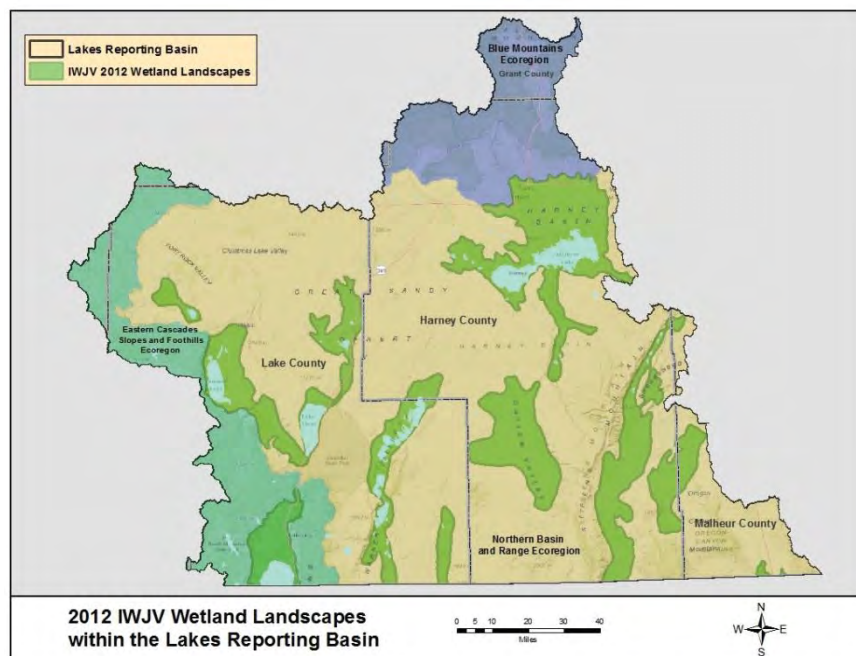
OWEB's Focused Investment Priority for Closed Lakes Basin wetland habitats supports voluntary actions that address primary limiting factors related to the quality of this habitat type. **These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Conservation Strategy and the Intermountain Joint Venture's (IMJV) Habitat Conservation Strategy Implementation Plan, which are listed on page two of this document.**

Focal areas include those that are identified as high-priority wetland and floodplain habitat for migratory and resident bird and native fish species. These areas exist within the Oregon portion of the Closed Lakes Basin area (within Harney, Lake and a small portion of Malheur counties).

Background

Where it occurs – The Closed Lakes Basin wetlands exist within the Southern Oregon Northeast California (SONEC) region, which is a portion of the Closed Lakes network within the Great Basin (see map). The SONEC region geography and habitat has been defined by the IMJV and in the federal North American Waterfowl Management Plan. The Closed Lakes Basin within the SONEC region is an important part of the intercontinental Pacific Flyway. Within the SONEC region, 75% of wetland habitat is located on private lands, most of which is managed as flood-irrigated hay and pastureland.

In Oregon, Closed Lakes Basin wetland habitat exists primarily in Lake and Harney Counties (including Malheur National Wildlife Refuge), with a small portion in Malheur County. Closed Lakes Basin wetland habitats include wetlands, wet meadows, and irrigated pasturelands. Many of the managed



wetland/pastures exist in the floodplain of tributaries and lakes in the area. Closed Lakes Basin wetlands represent a unique chain of desert oases that, as an integrated network, provide critical habitat and food for waterbirds throughout the seasonal cycle.

Indicator species and/or species of interest supported by this habitat – An estimated 70 percent of migratory birds along the Pacific Flyway pass through the SONEC region, including the Closed Lakes Basin wetland habitats in Oregon. Moreover, the Closed Lakes Basin provides critical habitat to important bird species that utilize this region as part of the Great Basin network of habitat: 1) most of North America's snowy plovers (federally listed under the Endangered Species Act [ESA]) breed in the region; 2) most of North America's eared grebes, long-billed dowitchers, and all of the world's Wilson's phalaropes use the region during migration; 3) most of the world's American avocets (a keystone species) use the region for an extended post-breeding period, and over 50% of this species breeds in the Great Basin; and 4) most of the world's white-faced ibis breed in the Great Basin. Additional migratory and resident bird species also rely on this habitat. Of particular importance is habitat for shorebird species and habitat for migratory birds on the spring migration path. This region provides a diversity of food production at different salt regimes throughout the year; thus, seasonal water conditions drive habitat function and productivity. Additionally, the Closed Lakes Basin wetlands support native fish species such as Warner and Modoc sucker fish (ESA-listed), tui chub, and redband trout.

Why it is significant to the state – Closed Lakes Basin wetlands are ecologically unique high-desert wetlands that provide critical habitat for numerous migratory and resident bird species. This region has international importance as habitat for migratory birds including providing habitat for the brooding and rearing of shorebird species.

The region also fosters a prodigious ranching community and associated economy that depends on the ecological health of these wetland habitats. In addition, Malheur National Wildlife Refuge and other wildlife areas in the Closed Lakes Basin are critical recreational and economic resources for these rural counties.

Key limiting factors, with a focus on ecosystem function and process –

- Loss and degradation of wetlands habitat, including salinization and an imbalance of seasonal saline gradients;
- Seasonal water availability as a result of altered natural hydrologic functioning, including the conversion to sprinkler irrigation from flood irrigation that provided surrogate wetland habitat and impacts of climate change;
- Proliferation of invasive common carp, whose feeding behavior causes sedimentation that significantly reduces submerged vegetation otherwise available as a food source for birds and other wildlife; and
- Invasive plant and macroinvertebrate species, which can reduce food production for native bird species.

Reference plans –

- 1) Oregon Conservation Strategy (Chapter 8.10)
(http://www.dfw.state.or.us/conservationstrategy/read_the_strategy.asp)
- 2) North American Waterfowl Management Plan
(<http://www.fws.gov/birdhabitat/NAWMP/Planstrategy.shtm>)
- 3) Intermountain Joint Venture Habitat Conservation Strategy Implementation Plan
(<http://iwjv.org/2013-implementation-plan>)

DRYSIDE FOREST HABITAT

Summary Statement of Priority

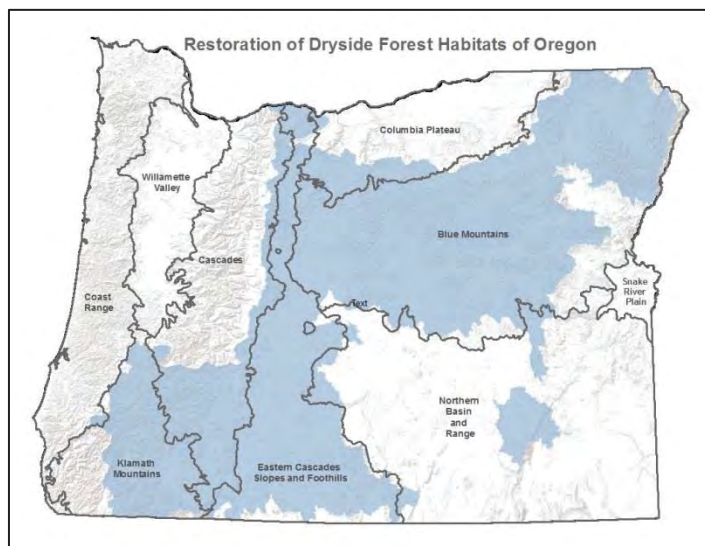
The OWEB Board will consider proposals for investment in **dryside forest habitat** for initiatives that address habitat conservation and restoration needs that support ecological outcomes at the landscape scale.

Proposals must address limiting factors—which for dryside forest habitat are threats posed by lack of fire management—including:

- **Uncharacteristically intense wildfires as a result of fire suppression in forests**
- **Densification of forests due to altered fire regimes**
- **Loss of forest structure and connectivity**
- **Uncharacteristic outbreaks of diseases**

OWEB's Focused Investment Priority for dryside forest habitat supports voluntary actions that address primary limiting factors related to the quality of this habitat type. **These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Conservation Strategy and other plans that are listed on page two of this document.**

Focal areas include those that are identified in these plans as high priorities for dryside forests and the aquatic and terrestrial ecosystems that these habitats support.



Background

Where it occurs – Dryside forests exist east of the Cascade Mountains and southwest in the Umpqua and Rogue watersheds of the Siskiyou and Klamath Mountains. This forest type spans 14 million acres in Oregon, constitutes roughly half of all forests in the state, and accounts for approximately 25 percent of the state's land cover. These forests are associated with nine national forests in Oregon and also coincide with land managed by the Bureau of Land Management in southwest Oregon. "Dryside" is a general term for forests that consist of dry pine forests, dry mixed conifer and moist-cold forests.

Indicator species and/or species of interest supported by this habitat – Dryside forest habitat is composed of numerous tree species, including ponderosa pine, sugar pine, grand fir, and Douglas-fir. Historically, these forests experienced more frequent low-intensity fires that would burn off the understory and small trees on a 7-15 year cycle, resulting in a diverse and robust mosaic of older, larger aforementioned tree species. Fire suppression practices in the past century have elevated 'fuel levels' to a degree that has altered forest species composition and succession, and susceptibility to

uncharacteristic large wildfires due to the fuel loads. In addition to the building of fuel levels, the change in forest management practices during the last century has reduced diversity of species and age structures, and increased densities of trees within this forest type.

The dryside forest habitats support over 800 fish and wildlife species, including: many native bird species such as the white-headed woodpecker and northern goshawk; native fish species, including salmon and steelhead, bull trout, and redband trout; and game species such as elk and deer.

Why it is significant to the state – Dryside forests cover vast acreages in Oregon, and are at critical risk for uncharacteristically intense wildfires. These forest systems support a diverse range of aquatic and terrestrial species, including federally listed fish and bird species. Dryside forests are iconic in Oregon, of cultural significance to Native American tribes, and have economic importance related to natural resource based economies in rural communities. In addition, these areas support an increasingly important recreation-based economy in many areas throughout Oregon.

Key limiting factors/threats, with a focus on ecosystem function and process –

- Uncharacteristically intense and even catastrophic wildfires in fire-adapted forests;
- Densification of dryside forests due to fire suppression and altered fire regimes;
- Vulnerability to threats such as uncharacteristic outbreaks of diseases; and
- Loss of forest structure, age, composition, and habitat connectivity

Reference plans –

- 1) Oregon Conservation Strategy
(http://www.dfw.state.or.us/conservationstrategy/read_the_strategy.asp)
- 2) Restoration of Dry Forests in Eastern Oregon
(<https://www.conservationgateway.org/ConservationPractices/FireLandscapes/FireLearningNetwork/NetworkProducts/Pages/Dry-Forest-Guide-2013.aspx>)

OAK WOODLAND AND PRAIRIE HABITAT

Summary Statement of Priority

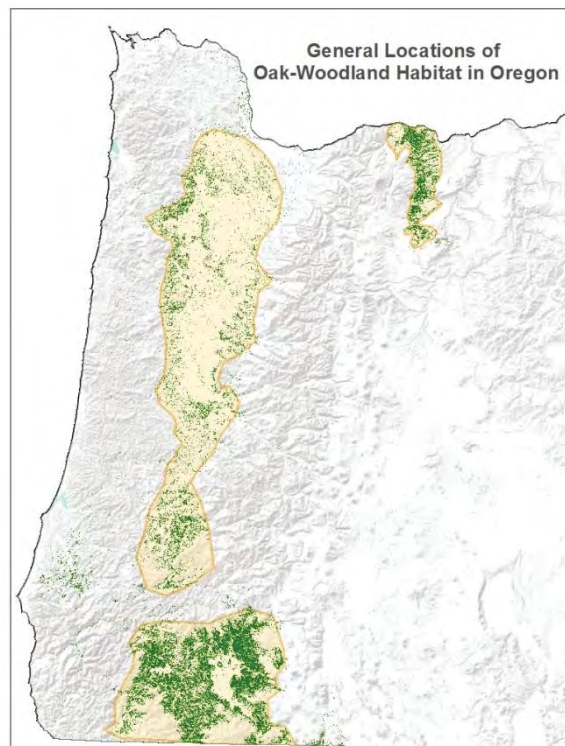
The OWEB Board will consider proposals for investment in oak woodland and prairie habitats for initiatives that address habitat conservation and restoration needs that support ecological outcomes at the landscape scale. (Note that this priority theme includes chaparral associated with oak habitats.)

Proposals must address primary limiting factors, including:

- **Habitat loss and fragmentation**
- **Habitat degradation, including disease**
- **Conifer and invasive species encroachment**
- **Impaired habitat persistence, especially lack of recruitment of young oaks**

OWEB's Focused Investment Priority for oak woodland and prairie/chaparral habitat supports voluntary actions that address primary limiting factors related to the quality of this habitat type. **These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Conservation Strategy and other plans and strategies that are listed on page two of this document.**

Focal areas include those that are identified in these plans as high priorities for oak and associated prairie and chaparral habitats, and the aquatic and terrestrial ecosystems that these habitats support. These areas include oak and associated prairies within the Willamette Valley, the southern Oregon oak and associated chaparral habitat corridor, and oak habitats in the east Cascades.



Background

Where it occurs – Despite a loss of approximately 90% of its historical habitat range since the 1800s, oak and associated prairie and chaparral habitats still exist throughout the state. Three types of oak habitats in Oregon are “oak savannah” (5-30% oak coverage), “oak woodlands” (30-60% oak coverage), and “oak forests” (greater than 60% oak coverage). These oak habitats occur in the three areas of the state: 1) Oak and prairie habitats of the Willamette Valley ecoregion; 2) Oak woodlands of the East Cascades and foothills along the Columbia Gorge, including both Hood and Wasco counties and south to White River; and 3) Southern Oregon oak and chaparral habitats of the Klamath, Umpqua and Rogue River ecoregions.

Indicator species and/or species of interest supported by this habitat – The Oregon white oak is the indicator species for oak and associated prairie and chaparral habitats. Species that are supported by

these habitats include: streaked horned lark, the Western meadowlark, Lewis' woodpecker, white-breasted nuthatch, western bluebird, acorn woodpecker, western gray squirrel, Columbian white-tailed deer, Fender's blue butterfly, Taylor's checkerspot butterfly, Kincaid's lupine, and the Willamette daisy, among many other plant species depending on the region. At least seven federally listed species are dependent on these habitats.

Why it is significant to the state – In a national assessment, oak and associated prairie and chaparral habitats are one of the most endangered ecosystems in the U.S. due to land conversions and altered fire regimes. Yet, these habitats are home to roughly 30 bird, terrestrial, and plant species addressed in the Oregon Conservation Strategy. Maintaining the connectivity of oaks and their associated prairie and chaparral habitats is crucial to support species utilization of greater habitat range, but also to facilitating the gradual movement of species to the north from California in response to climate change. Many species dependent on oak habitats may be considered for listing in the future; thus, an increase in habitat connectivity, complexity and acreage will benefit these vulnerable species. In addition, these habitat types are iconic and culturally important to the Native American tribes.

Key limiting factors, with a focus on ecosystem function and process –

- Habitat loss and fragmentation due to land-use conversion (e.g., residential, timber, agricultural);
- Habitat degradation, including disease such as sudden oak death syndrome;
- Shrub-tree encroachment and invasive species; and
- Impaired habitat persistence, due to loss of disturbance regime from fire and grazing, and the subsequent lack of recruitment of young oaks.

Reference plans –

- 1) Oregon Conservation Strategy
(http://www.dfw.state.or.us/conservationstrategy/read_the_strategy.asp)
- 2) Recovery Plan for Prairie species of Western Oregon and SW Washington (USFWS 2010)
(<http://www.fws.gov/oregonfwo/Species/PrairieSpecies/>)
- 3) Oregon White Oak Restoration Strategy for National Forest System Lands East of the Cascade Range (USFS 2013)
(http://ecoshare.info/wp-content/uploads/2013/05/Oak_Strategy_draft_3-6-13_FINAL_HQ.pdf)

OREGON COASTAL COHO HABITAT AND POPULATIONS

Summary Statement of Priority

The OWEB Board will consider proposals for investment in Oregon's coastal coho habitats and populations, including estuarine, freshwater and associated riparian and upland habitats, for initiatives that address habitat conservation and restoration needs that support ecological outcomes at the landscape scale.

Proposals must address key limiting factors, including:

- Impaired ecosystem functions that have resulted in decreased instream complexity and degraded rearing and spawning habitats
- Degraded water quality (i.e., dissolved oxygen, temperature)
- Insufficient water quantity/flows during critical low flow periods

OWEB's Focused Investment Priority for Oregon's coastal coho habitats and populations supports voluntary actions that address primary limiting factors related to the protection and restoration of the watershed functions that support coho habitat and health of coho populations. **These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Coastal Coho Conservation Plan and NOAA Fisheries Southern Oregon Northern California Coast Coho Recovery Plan, which are listed on page two of this document.**

Focal areas include coastal habitats that are identified in these plans as high conservation and restoration priorities for Endangered Species Act (ESA) listed coho salmon.

Background

Where it occurs – Estuarine, freshwater, and associated riparian and upland habitats that support coho salmon are located along the entire length of the Oregon coast. This priority includes restoration and protection of watershed functions that increase and maintain instream complexity, good water quality, adequate instream flows, and floodplain connectivity, and actions that create an appropriate sediment regime throughout the range of the coho salmon.



Indicator species and/or species of interest supported by this habitat – Oregon has two coastal Evolutionarily Significant Units (ESUs) that are listed under the ESA: 1) Oregon Coast Coho (OCC) ESU with 21 independent populations from the Necanicum River in the north and the Sixes River near Cape Blanco in the south, and 2) the Southern Oregon Northern California Coast Coho (SONCCC) ESU from Cape Blanco to the California border with two independent populations.

The estuarine and freshwater coastal habitats that coho use also support many other native species, for at least some portion of their life cycle; these species include, but are not limited to: Chinook and chum salmon, steelhead, coastal cutthroat trout, Pacific lamprey, Western brook lamprey, sculpins, beavers, river otters, and giant salamanders, as well as hundreds of invertebrate species. Work is underway to further assess and refine the list of estuarine species associated with these habitat areas.

Why it is significant to the state – The presence of robust and sustainable populations of coho salmon are an indicator of properly functioning coastal ecosystems and can provide significant social, cultural, economic and ecological benefits to coastal communities. Because water quality has been significantly degraded and instream habitat impacted in areas along the coast, the populations of these fish have declined, thus requiring a federal ESA listing. However, this trend can be reversed with a focused, collaborative habitat conservation effort in the next decade, which has the potential to contribute to the delisting of the species. The state has developed a coastal coho conservation plan and a federal recovery plan for the SONCCC was recently approved. A recovery plan currently is being developed by NOAA Fisheries for Oregon's OCC salmon populations.

The improvement in conditions and complexity for coastal coho habitat also will benefit water quality. Many of Oregon's coastal streams are designated on the federal 303(d) list as "water quality limited," which affects landowners and communities and creates economic impacts. Following a determination by federal agencies (i.e., the U.S. Environmental Protection Agency and NOAA Fisheries), the state is working to address the need for a refined Coastal Nonpoint Pollution Control Program under the Coastal Zone Act Reauthorization Amendments, which is intended to have a positive impact on water quality.

Recreational and commercial fisheries are also severely impacted by the ESA listing of these fish. The commercial coho fishery was once a robust industry on the coast, but with the serious decline in the population followed by the ESA listing, commercial fishing has not been viable. Restoring ecosystem function for coho salmon habitats will benefit coho populations, in addition to many other ancillary species. At the same time coho restoration also will help sustain recreational and potentially commercial fisheries, which will economically assist coastal communities.

Key limiting factors, with a focus on ecosystem function and process –

- Reduced quantity and quality of complex instream habitats;
- Reduced quantity and quality of spawning gravels;
- Degraded water quality and, in some areas, lack of sufficient water quantity ;
- Degraded riparian areas;
- Lack of habitat connectivity with floodplains; and
- Invasive aquatic species.

Reference plans –

- 1) Oregon Coastal Coho Conservation Plan
(http://www.dfw.state.or.us/fish/CRP/coastal_coho_conservation_plan.asp)
- 2) NOAA Fisheries Southern Oregon Northern California Coast Coho Recovery Plan
(http://www.westcoast.fisheries.noaa.gov/protected_species/salmon_steelhead/recovery_planning_and_implementation/southern_oregon_northern_california_coast/southern_oregon_northern_california_coast_salmon_recovery_domain.html)

INLAND AQUATIC HABITAT FOR NATIVE FISH SPECIES

Summary Statement of Priority

The OWEB Board will consider proposals for investment in initiatives that support habitat conservation needs for **inland aquatic habitat for native fish species that are addressed in the following:**

- 1) **A draft or final federal recovery plan, and/or**
- 2) **A draft or final state conservation plan.**

See the Oregon Conservation Strategy for a list of the species included in these plans:

http://www.dfw.state.or.us/conservationstrategy/docs/document_pdf/c-appendices_1.pdf.

Proposals must address primary limiting factors for aquatic habitats, as identified in associated federal and state recovery and conservation plans, including:

- **Impaired water quality**
- **Reduced water quantity**
- **Loss of habitat complexity**
- **Loss of habitat connectivity**
- **Spread of invasive species**

OWEB's Focused Investment Priority for Inland Aquatic Habitat for Native Fish Species supports voluntary actions that address limiting factors related to the quality of this habitat type. **Initiatives under this priority will identify the primary limiting factors outlined in associated federal and state recovery and conservation plans that the initiative is aiming to address, and will be guided by the habitat and population objectives and conservation approaches set forth in these plans.** Focal areas for the Inland Aquatic Habitat for Native Fish Species Priority include those areas in Oregon that are identified as priority geographies by the associated federal recovery and/or state conservation plans found in the link on page two of this document.

Background

Where it occurs – Inland aquatic habitats include rivers, streams, floodplains, lakes and tidally influenced waterways. These habitats typically contain water year-round. These areas, which occur around the state, provide essential habitat to many at-risk species, including important spawning and rearing habitat for salmonids.

Oregon's inland aquatic habitats are highly diverse. For example, as described in the Oregon Conservation Strategy, the headwaters of many of Oregon's river are located high in the state's various mountainous areas. In contrast, the eastern half of the state contains several playa lakes, formed when runoff from precipitation and mountain snowpacks flows into low-lying areas, then evaporates and leaves mineral deposits.

Indicator species and/or species of interest supported by these habitats – The Oregon Conservation Strategy describes several native fish species that have been listed or are candidates for listing under the federal Endangered Species Act or that are species of concern, including, but not limited to: Chinook salmon, chum salmon, steelhead, bull trout, some species of suckers, lamprey, and chub. Examples of specific species to be addressed under this Focused Investment Priority are identified, by geography, on page 3.

In certain instances, the limiting factors and habitat needs of a limited number of the aforementioned native fish species overlap with coastal coho during a least a portion of their life-cycle. However, because the overlap is not complete, this priority focuses on the inland aquatic habitat needs for a broader collection of native fish species. This approach ensures that primary limiting factors (as identified in recovery and conservation plans) for a range of native fish species that are of significance to the state, can be addressed.

Why it is significant to the state – Inland aquatic habitat supports an incredible number of Oregon’s native fish and wildlife species. The extent of biodiversity in an aquatic habitat is a reflection of the native fish, plants, and other aquatic species present there. All of these species require water, and high-quality aquatic systems provide essential habitat to many at-risk species, including important spawning and rearing habitat for salmonids and other native fishes.

Sustaining aquatic biodiversity is essential to the health of our environment and to the quality of human life. Healthy aquatic ecosystems are imperative for continuing to contribute to Oregon’s communities and economy, including fisheries and recreation. Because native fish communities are central to the structure, function, and process within aquatic habitats, they serve as ideal indicator species of the overall health of these habitats.

Key limiting factors, with a focus on ecosystem function and process –

- Water quality (e.g., temperature and sedimentation), including those factors associated with the loss of riparian vegetation;
- Water quantity (e.g., low streamflow and altered hydrology);
- Habitat complexity (e.g., high-quality instream structure and spawning gravel, floodplain connectivity, connected off-channel habitat, presence of pools, and presence of large woody debris);
- Loss of habitat connectivity, including: floodplain connectivity; access to cold-water refugia; and fish-passage barriers that are identified as primary limiting factors for native fish species and as noted by Oregon Department of Fish and Wildlife’s statewide fish passage priority list; and
- Invasive species.

Reference plans –

- 1) Conservation and Recovery Plans for Native Fish in Oregon
(http://www.dfw.state.or.us/fish/CRP/conservation_recovery_plans.asp)

See Table 1 on page 3 for example of species-specific conservation and recovery plans to be addressed under this Focused Investment Priority.

Oregon’s Native Fish Conservation Policy (NFCP), the state policy for managing native fish, provides guidance to support the implementation of the Oregon Plan for Salmon and Watersheds and Oregon Conservation Strategy. Conservation and recovery plans developed under the NFCP by Oregon Department of Fish and Wildlife and/or in conjunction with federal agencies detail how Oregon proposes to recover listed native fish species. These plans identify key limiting factors for specific fish species, geographies in which habitat for these species occur, and priority actions that will address limiting factors. While these plans have a species focus, addressing the limiting factors and meeting the goals of each plan supports native fish communities and the ecosystem function of aquatic habitats more generally. Thus, achieving the desired habitat and population objectives within these plans will provide significant ecological, economic and cultural benefits for all Oregonians.

Table 1. Example Conservation and Recovery Plans and Aquatic Indicator Species, by Basin
(U.S. Fish and Wildlife Service = USFWS; NOAA Fisheries = NMFS; Oregon Department of Fish and Wildlife = ODFW)

Example Conservation and Recovery Plans	Aquatic Indicator Species	Associated Basin(s) Mentioned in Focused Investment Priority Suggestions
USFWS Recovery Plan for the Threatened and Rare Native Fishes of the Warner Basin and Alkali Sub-basin	Warner Sucker Lahontan cutthroat trout Hutton tui chub Foskett speckled dace Warner Valley redband trout	Closed Lakes Basin
USFWS Revised Draft Recovery Plan for the Coterminous United States Population of Bull Trout	Bull trout <i>Co-benefit species: Redband trout</i>	Deschutes John Day Upper Klamath Lower Columbia Willamette
NMFS/ODFW Mid-Columbia Oregon Steelhead Recovery Plan	Steelhead <i>Co-benefit species: Chinook salmon, Redband trout</i>	Deschutes John Day
NMFS Draft ESA Recovery Plan for Northeast Oregon Snake River Spring and Summer Chinook Salmon and Snake River Steelhead Populations	Spring Chinook Steelhead <i>Co-benefit species: Redband trout</i>	Grande Ronde
ODFW Lower Columbia River Conservation & Recovery Plan for Oregon Populations of Salmon & Steelhead	Spring, Fall Chinook Chum salmon Summer, winter steelhead <i>Co-benefit species: Redband trout</i>	Lower Columbia River
ODFW Rogue Spring Chinook Salmon Conservation Plan	Spring Chinook <i>Co-benefit species: Steelhead, Redband trout</i>	Rogue
ODFW Conservation Plan for Fall Chinook Salmon in the Rogue Species Management Unit	Fall Chinook <i>Co-benefit species: Steelhead, Redband trout</i>	Rogue
USFWS Lamprey Conservation Initiative Plan	Pacific lamprey	Deschutes John Day Grande Ronde Lower Columbia Umpqua Rogue Willamette
USFWS Revised Recovery Plan for the Lost River sucker and Shortnose sucker	Lost River sucker Shortnose sucker	Upper Klamath
NMFS/ODFW Upper Willamette River Conservation and Recovery Plan for Chinook Salmon and Steelhead	Spring Chinook Steelhead <i>Co-benefit species: Redband trout</i>	Willamette
USFWS Recovery Plan for the Oregon Chub	Oregon chub	Willamette
ODFW Coastal Multi-Species Conservation and Management Plan (this plan does not assess or address coastal coho, thus differentiating this priority from the Focused Investment Priority for Oregon Coastal Coho Habitat and Populations)	Chinook salmon Chum salmon Steelhead Cutthroat trout <i>Co-benefit species: Redband trout</i>	Coastal watersheds from Cape Blanco to the Columbia River (including Umpqua, Tillamook, many others)



Oregon

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item: Other Business – Sage Grouse Conservation Funding
March 18, 2015 OWEB Board Meeting**

I. Introduction

The Governor's office requests the Board consider funding \$45,000 from the Oregon Plan /Governor's priorities spending plan line item to support the final development of Oregon's Sage-Grouse Action Plan and begin implementation of Oregon's comprehensive All-Lands, All-Threats approach to Sage-Grouse Habitat Protection.

II. Background

Governor Kate Brown's Natural Resources Office is working with landowners, counties, state and federal agencies and non-profit organizations to develop a comprehensive plan that, when combined with updated Bureau of Land Management (BLM) Resource Management Plans, will maintain and improve sage-grouse populations and habitat in Oregon. The short-term objective of the state's planning effort is to inform the U.S. Fish and Wildlife Service (USFWS)'s listing decision under the Endangered Species Act (ESA) in 2015. The Governor's long-term goal is to protect and restore sage-grouse populations and the ecological health of lands across southeast Oregon and other areas of the state and, in so doing, promote the stability and vitality of rural communities and economies. This goal would be accomplished through a planning framework that protects key habitat, undertakes priority conservation actions tied to key sage-grouse and habitat threats, and advances responsible stewardship that generates and allows for economic use and development of lands vital to healthy rural communities.

In the fall of 2015, USFWS is required to make a decision about listing the Greater Sage-Grouse under the federal ESA. Sage-grouse and their habitat cover nearly 25 percent of the state's land area in southeast, central and northeastern Oregon, in addition to extensive areas across many other western states. As a result, this listing decision and the subsequent related actions and obligations have the potential to impact land uses and management practices in Oregon at a scale similar to the actions related to salmon and spotted owls in the 1990s.

OWEB has a vested interest in sage-grouse, their habitat, and associated rural communities. The habitat area spans three OWEB regions and has been a major focus of watershed restoration investments for the Board. The area comprises large tracts of private, state, and federal lands. Over the years, numerous watershed projects funded by OWEB on private lands have been designed to enhance sage-grouse habitat. Other projects have been conducted in conjunction with federal land managers with the same purpose in mind.

III. Current Status of the State's Planning Effort

A team of partners including Portland State University, Oregon State University / Institute for Natural Resources, The Nature Conservancy, the Governor's office, state and federal agencies, and myriad local partners and contractors have been moving forward with the effort to complete the State of Oregon's All-Lands, All-Threats Approach to Sage-Grouse Habitat Protection. This extensive effort, known as SageCon, has involved county commissioners and judges, county planning departments, state and federal agencies, landowners and a variety of non-profit organizations. Development of the State's plan and coordination with federal planning efforts is part of the SageCon effort.

The Board has provided \$650,000 in funding towards the state's total effort for Sage-Grouse conservation and planning since early 2013. Since that time, significant accomplishments have been made:

1. Outreach to ensure that stakeholders such as the Association of Oregon Counties; Oregon Cattleman's Association; County planners; Tribes; BLM; Oregon Department of State Lands (DSL); other state agencies, energy interests; conservation organizations, and many others are involved in the decision making process being used to develop the State's plan for sage-grouse in response to the 2010 warranted-but-precluded decision by USFWS.
2. Coordination of ongoing fundamental analyses to quantify the risk of important threats to Sage-Grouse habitat in Oregon, including conversion to agriculture, energy development feasibility, wildfire, invasive species, and other disturbances.
3. Compilation of plot-level vegetation data, gathered between 1988 and present, from BLM, DSL, U.S. Forest Service, Natural Resources Conservation Service, Agricultural Research Service, USFWS, and other sources into a comprehensive and consistent database that is tied to monitoring and mapping efforts, establishment of baseline conditions, and updates based on recent and/or future impacts (i.e., fire).
4. Collection of over 525 new vegetation plots in areas that have burned since last sampled.
5. Pilot mapping work on sagebrush, cheatgrass and medusahead, along with processing of satellite imagery, to develop a new vegetation dataset and related maps.
6. Continued stakeholder outreach and interagency coordination.
7. Development of the draft Oregon Sage Grouse Action Plan (formerly referred to as the All-Lands, All-Threats Plan) including a comprehensive set of actions and priority investments across land ownership and agency boundaries.
8. Initiating formal rule-making with the Department of Land Conservation and Development Commission in partnership with affected counties strengthening the state's land use regulatory system to continue to guide development away from core habitat.
9. Development of the Mitigation Manual specific to Sage Grouse conservation in Oregon.
10. Initiated rule-making with the Oregon Fish and Wildlife Commission regarding mitigation.
11. Identification of early implementation actions and the development of budget and policy requests to the 2015 Legislative Session to address primary threats (fire and invasive species) to Sage-Grouse.
12. Begin development of the Habitat Quantification Tool as part of the implementation of the Mitigation Manual.

In addition, the partners have matched OWEB's investment with additional work including:

1. Ongoing data collection and cataloging work;
2. Development of cartographic products for presentations and publications;
3. Creation of an updated land-status data layer depicting managed and protected areas that can be used for identifying current conservation areas;
4. Ongoing contributions of analysts to complete baseline assessment and methods for determining current conditions and examine recent habitat trends in Oregon;
5. Creation of updated and calibrated vegetation simulation models for southeastern Oregon to reflect current knowledge of range management and vegetation responses to management;
6. In-progress development of initial conditions data for running simulations;
7. Drafting of portions of a new mitigation framework related to sage-grouse conservation;
8. Initial draft and refinements of sage-grouse habitat maps; and
9. Development of conifer conditions data set (canopy cover of conifer trees) for all of southeast Oregon.
10. Completion of the Decision Support System to guide conservation investment decisions.
11. Development of communication materials.
12. Outreach within partner communities. Oregon's collaborative and comprehensive approach has contributed to the state's ability to secure substantial partner investments for sage-grouse conservation including the recent Natural Resource Conservation Service Regional Conservation Partnership Program (RCPP) grant for \$9 million for continued support and implementation of the CCAAs in the seven counties within the range of sage-grouse.

Extensive work has been completed to date and Oregon's model of collaboration continues to be the gold standard in the Nation for how to address comprehensive Sage-Grouse conservation.

VI. Recommendation

Staff recommend the Board award up to \$45,000 in support of this work and delegate authority to the Director to enter into appropriate agreements, with an award date of March 18, 2015 to be used for any grant agreements, to finalize the state's plan and implement early actions consistent with OWEB's mission.



Oregon

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Greg Sieglitz, Monitoring and Reporting Program Manager
SUBJECT: Agenda Item: Other Business

March 18, 2015 OWEB Board Meeting

I. Introduction

This report provides an update regarding the Upper Middle Fork John Day River Intensively Monitored Watershed (IMW) and requests the board approve \$72,456 for implementation of the IMW.

II. Background

Staff presented before the Board at the July 2014 Board meeting in The Dalles on the Upper Middle Fork John Day Intensively Monitored Watershed project (IMW). At that time, the Board approved funding that had recently been provided by the Pacific States Marine Fisheries Commission (PSMFC) to OWEB in support of the project.

Over the span of the IMW, 2007-present, the Board has provided additional funding to critical aspects of this large study that are not funded with the PSMFC contributions due to their limited availability. The Board's investment has allowed priority monitoring work for answering important watershed scale questions to continue to meet the study objectives. Examples of past Board IMW investments include: the geomorphology and groundwater monitoring, water quality sampling using fiber optic cables, and the PacFish/InFish Biological Opinion landscape scale systematic surveys. This report requests funding for work of the North Fork John Day Watershed Council and Washington State University in support of their respective roles in the IMW for the next year.

III. Roles of Watershed Council and Washington State University

The North Fork John Day Watershed Council serves in the capacity of providing: temperature, macro-invertebrate, and watershed discharge monitoring. This work is central to the IMW goals evaluating the current conditions and any future changes in water temperatures in-stream, macro-invertebrate communities and overall water yield resulting from watershed restoration work within the context of natural variability. Water temperature and macro-invertebrate changes have already been detected and additional information will be captured over the next two years under this funding request. Related tasks will also include reporting, data management and coordination. More detailed information is found in Attachment A.

Washington State University participates in the IMW through a PhD candidate studying the relationships between habitat restoration and fish productivity primarily through macro-invertebrate analyses. Specific information about this work is found in Attachment A.

VI. Recommendation

Staff recommend the Board award \$65,342 to the North Fork John Day Watershed Council and \$7,114 to Washington State University in support of the Intensively Monitored Watershed from the Effectiveness Monitoring line item in the spending plan. The award to the North Fork John Day Watershed Council will be effective starting March 18, 2015.

Attachments

- A. North Fork John Day Watershed Council and Washington State University actions and budget for 2015 IMW work.

2015 Scopes of Work and Budget

North Fork John Day Watershed Council

Temperature Monitoring

The North Fork John Day Watershed Council (NFJDWC) is in charge of deploying and collecting 43 temperature loggers along the mainstem Middle Fork and its tributaries. Loggers will be deployed in April and then collected in November. Before the loggers are deployed, they are checked to ensure that their calibration is within an acceptable range. These loggers are checked throughout the season to ensure that they are still installed properly and functioning.

Macroinvertebrate Monitoring

Between the months of July and October, both benthic and drift macroinvertebrate samples will be collected. Benthic macroinvertebrate sampling is conducted on the South and Middle Forks of the John Day River (the South Fork is used as a reference for the Middle Fork). On each river, there are 10 sampling sites. Drift macroinvertebrate sampling is done only on the Middle Fork and consists of 14 sampling sites. Nets are placed in the river and left for at least 3 hours before they are collected.

Discharge Monitoring

Discharge monitoring occurs at 12 sites along the mainstem Middle Fork and its tributaries. Gaging stations will be installed at each site in April and the loggers will then be deployed at the gaging stations. In order to develop a rating curve for each site, discharge will be measured a minimum of 9 times (though likely more) throughout the spring and summer using a Marsh-McBirney flow meter.

Project Coordination Activities

These tasks include working with other partners in the IMW, attending meetings, site visits, compiling and analyzing water quality and macro-invertebrate data, project implementation, and planning tasks.

Washington State University

Macro-invertebrate monitoring was initiated in 2009 to determine biological responses to restoration activities. This is in line with the goals of the IMW, which are to understand the causal mechanisms between stream habitat restoration and changes in fish production at the watershed scale. Based on the needs of the Middle Fork IMW to analyze both the benthic and drift macroinvertebrate results in preparation for the final report in 2017, a WSU PhD candidate proposes to assist the Middle Fork IMW in 2015 with the analysis of these macroinvertebrate results.

Specific questions that will be answered include the following:

1. How have management actions affected the macroinvertebrate communities and thus the ecological status assessment of each site within the Middle Fork IMW?
2. How comparable are the Pacfish/Infish Biological Opinion (PIBO) and NFJDWC samples since the PIBO sampling method utilizes a different sampling method with a larger sampling area compared to the NFJDWC samples?

3. How do restoration activities affect passive drift of macroinvertebrates?

BUDGET CATEGORIES	NFJDWC BUDGET	WSU BUDGET	TOTAL
Salaries, Wages and Benefits	\$45,637	\$5,737	\$51,374
Contracted Services	\$8,000	\$0	\$8,000
Travel	\$2,879	\$349	\$3,228
Materials/Supplies	\$1,826	\$100	\$1,926
Equipment/Software	\$1,060	\$0	\$1,060
Other	\$0	\$0	\$0
Subtotal	\$59,402	\$6,186	\$65,588
Fiscal Admin	\$5,940	\$928	\$6,868
TOTAL	\$65,342	\$7,114	\$72,456

APPROVED BY THE BOARD APRIL 28, 2015

Oregon Watershed Enhancement Board

March 18, 2015

OWEB Board Meeting

Salem, Oregon

Minutes

OWEB Members Present

Eric Quaempts
Doug Kraemer
Ron Alvarado
Lisa Phipps
Morgan Rider
John Roberts
Bob Webber
Karl Wenner
Alan Henning
Mike Haske
Will Neuhauser

OWEB Staff Present

Meta Loftsgaarden
Renee Davis
Greg Sieglitz
Dana Hicks
Eric Hartstein
Brandi Elmer
Liz Redon
Courtney Shaff
Kathy Leopold
Sue Greer
Sharon Clarke
Tom Shafer
Troy Wirth
Cyrus Curry
Wendy Hudson
Krystyna Wolniakowski
Andrew Dutterer
Linda Burnett

Others Present

Eric Riley
Dan Bell
Kelley Beamer
Ryan Gordon
Larry Six
Amy Charette
Tom Stahl
Gabe Williams
Sandy McKay
Rebecca McCoun
Kristen Larson
Jan Irene Miller
Clint Nichols
Scott McEwen
Margaret Magruder
Dana Dedrick
Mark Trenholm
Rob Walton
Liz Vollmer-Buhl
Ryan Houston
Luke Westphal
Siletz Tribe
Julie Diceone
Mark Saelens
Ken Bierly
Bruce Lumpner
Whitney Olsker

A. Public Comment

The OWEB Board took general Public Comment.

- Dan Bell, representing The Nature Conservancy, commented on Sage Grouse efforts and encouraged the Board to continue to support Sage Grouse .

B. Focused Investments Partnership Process and Priority-Setting

Renee Davis, Deputy Director, briefed the Board about the status of the Focused Investment Partnership (FIP) process to date.

- She went over the Definition, Criteria and Solicitation Process (Attachment A to the Staff Report) which was adopted in July of 2014
- She briefed the Board on the Priority Setting Process and the use of local groups to accomplish this task

- Next month – At April’s Board meeting the Board will adopt the priorities
- She talked about the Solicitation Process and what that next phase would include (Attachment B to the Staff Report)

Deputy Director, Renee Davis then moved the board’s focus to Priority Setting

- Bob Webber: commented that the board should focus on funding high priority partnerships
- Morgan Rider: asked for an update on the criteria for high performing partnerships
- Executive Director, Meta Loftsgaarden: referred board members to Attachment A, page 2, number 3 – which addresses the process for selecting applications for Focused Investment Partnerships

Deputy Director, Renee Davis, began the discussion with the Board surrounding priorities: Renee asked the Board to keep these questions in mind:

- 1) Are there any additional priority categories other than the six in front of you that need to be added?
- 2) What additional information do you need to make a decision in April?
- 3) Is there additional clarification or information that you need to make a decision on draft Focused Investment Priorities in April?

Renee Davis talked about what makes a priority: (How to connect FI Priorities to these)

- Needs to have clear significance to the state
- Examples:
 - Oregon Plan for Salmon and Watersheds
 - Oregon Conservation Strategy
 - Governor’s Priorities
 - Ag Water Quality Program
 - Integrated Water Resources Strategy

Renee introduced Krystyna Wolniakowski to provide background on expert outreach. Wolniakowski has been assigned to lead expert conversations around Focused Investment Priorities.

Renee referred the board to Attachment C:

- Renee referred to 42 priority suggestions which were then converted into 12 themes

Attachment E – Summary of January Board discussion

- Two big results were:
 - Reframing 12 themes into different priority categories (more habitat based and less geographically focused)

Added this board meeting for the board to hear more about the 7 Themes and be able to come to a final decision in April

Renee discussed the work of staff after the January Board meeting to consult with experts across the state, to bring the board more information to make an informed decision in April. Krystyna Wolniakowski referred the board to Attachment F. Her role:

- Ensuring priorities brought to the board have been thoroughly vetted with state and federal experts and are consistent with other state and federal plans already in place

- Expert outreach process – (Krystyna referred to the list of experts on pages 1-2 of Attachment F, she also noted the first round experts that were utilized on pages 3-4)

Renee continued the discussion with the Board regarding priority categories.

- She referred the board to Attachment H – priority categories
- Bob Webber: Inland Aquatic Habitat and why there was no map – he also questioned the “Inland” part of the title
- Lisa Phipps: Inland Aquatic Habitat, she asked what is the intent? Is this a catch-all (broad species), judging one proposal against another?
- Renee, answered the question that the board should consider how to provide sufficient guidance on this and how the board would like to proceed
- John Roberts: commented that there could be multiple priorities addressed and crossed within one project area

Renee Davis started the discussion around the Focused Investment Priorities and reminded the board that all six of the summaries have been reviewed by the experts and they are comfortable with them, from an expert perspective they do not suggest further narrowing.

- Doug Kraemer: should board be prioritizing the priorities?

Renee Davis, answered that No, we are not asking the board to prioritize the priorities but that the board could prioritize the limiting factors within a priority area.

Meta Loftsgaarden, Executive Director, added that the board could also have staff go back to the experts with specific questions surrounding prioritizing if they feel it would be helpful

1 – Sage Brush/Sage-Steppe Habitat

Limiting Factors:

- Altered fire regimes
- Invasive species
- Loss of habitat connectivity
- The need for successful approaches that restore specific types of sagebrush/sage-steppe habitats following fire

Key Strategies – OWEB’s Focused Investment Priority for sagebrush/sage-steppe habitat supports voluntary actions that address primary limiting factors related to the quality of this habitat type. These actions will be guided by the habitat and population objectives set forth in the State’s sage-grouse strategy and the combined ecological and social outcomes described in the State’s “All Lands, All Threats Plan.”

Renee asked the Board to identify questions to be addressed in further conversations with experts:

- Lisa Phipps: key areas and how broad in nature of acreages
- Mogan Rider: asked a question about regulatory implications
- Will Neuhauser: asked a question about connectivity areas and focal areas (what is the definition of focal areas?), the terminology “that support” in all of the six summaries – he is uncomfortable with it, too open ended. He also stated that landscape-scale needs to be more clearly defined
- Co-Chair, Eric Quaempts: suggested adding an appendix with key terms and be sure that we are consistent throughout the document

- Doug Krahmer: how did we come up with Connectivity Zones? What is the criteria?

2-OREGON CLOSED LAKE BASIN WETLAND HABITATS

Limiting Factors:

- Loss and degradation of wetland habitats, including salinization
- Water availability as a result of altered natural hydrologic functioning
- Invasive species, such as carp and non-native plants and macroinvertebrates

Key Strategies – OWEB’s Focused Investment Priority for Closed Lake Basin wetland habitats supports voluntary actions that address primary limiting factors related to the quality of this habitat type. These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Conservation Strategy and the Intermountain Joint Venture’s (IMJV) Habitat Conservation Strategy Implementation Plan.

Renee asked the Board to identify questions to be addressed in further conversations with experts:

- Will Neuhauser: question of the case for its significance to the state, he stated it is not clearly described, what is the critical need? He clarified that he feels it is not clear to what the significance or crucial need is – he is not comfortable without more detail from experts
- Karl Wenner: commented on the need to see this listed and he sees the threat clearly. It is becoming more and more important and there is a tremendous threats without climate change, but with climate change it is even more critical
- Will Neuhauser: noted that the links in the chapters don’t correspond to the links so it makes it very hard to find (regarding layout of the document)
- Ron Alvarado: commented that the region is huge and that it serves as a major resting point for migratory birds, something to add to make the description more clear – also critical habitat for Sage-Grouse chicks (something to be added)

3-DRYSIDE FOREST HABITAT

Limiting Factors:

- Uncharacteristically intense wildfires as a result of fire suppression in forests
- Densification of forests due to altered fire regimes
- Loss of forest structure and connectivity
- Uncharacteristic outbreaks of diseases

OWEB’s Focused Investment Priority for dryside forest habitat supports voluntary actions that address primary limiting factors related to the quality of this habitat type. These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Conservation Strategy.

Renee asked the Board to identify questions to be addressed in further conversations with experts:

- Ron Alvarado: asked a question about Oregon Department of Forestry’s priority areas and why it wasn’t listed – specific plan with hot spots noted (good reference materials)
- Mike Haske: commented that the title should be “drytype” instead of “dryside” as the title suggests one area of the state
- Karl Wenner: commented that the degree of specificity needs to relate back to the water aspect of it also, how does it impact the watershed?

- Will Neuhauser commented that being able to see the primary layer (habitat based) along with other secondary layers could be helpful in determining the most critical areas.

4-OAK WOODLAND AND PRAIRIE HABITAT

Limiting Factors:

- Habitat loss and fragmentation
- Habitat degradation, including disease
- Conifer and invasive species encroachment
- Impaired habitat persistence, especially lack of recruitment of young oaks

OWEB's Focused Investment Priority for oak woodland and prairie/chaparral habitat supports voluntary actions that address primary limiting factors related to the quality of this habitat type. These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Conservation Strategy.

Renee noted that there are three types of oak habitats in Oregon, Oak Savannah, Oak Woodlands, and Oak Forests. She also stated that these oak habitats occur in the three areas of the state: 1) Oak and prairie habitats of the Willamette Valley ecoregion; 2) Oak woodlands of the East Cascades and foothills along the Columbia Gorge, including both Hood and Wasco counties and south to White River; and 3) Southern Oregon oak and chaparral habitats of the Klamath, Umpqua and Rogue River ecoregions.

Renee asked the Board to identify questions to be addressed in further conversations with experts:

Board member Will Neuhauser commented that the Board would need to get information from the experts on what information is important to take from the plans.

5-OREGON COASTAL COHO HABITAT AND POPULATIONS

Limiting Factors:

- Impaired ecosystem functions that have resulted in decreased instream complexity and degraded rearing and spawning habitats
- Degraded water quality (i.e., dissolved oxygen, temperature)
- Insufficient water quantity/flows during critical low flow periods

OWEB's Focused Investment Priority for Oregon's Coastal coho habitats and populations supports voluntary actions that address primary limiting factors related to the protection and restoration of the watershed functions that support coho habitat and health of coho populations. These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Coastal Coho Conservation Plan and NOAA Fisheries Southern Oregon Northern California Coast Coho Recovery Plan, which are listed on page two of this document.

Coastal Coho have been listed under the Federal Endangered Species Act, however, there is the potential to see it de-listed.

Renee asked the Board to identify questions to be addressed in further conversations with experts:

- Ron Alvarado: what is being done to get the species de-listed, will it happen within the next 10 years?
- Morgan Rider: more detail in the Oregon Coast Coho Recovery Plan
- Lisa Phipps: commented that we should consult with Oregon Department of Agriculture and Natural Resources Conservation Service as additional experts; she also stated that the Oregon Coast Coho and Southern Oregon/N. California Coho Salmon ESU should be called out more clearly; should consider estuaries as a specific habitat type; may not want to highlight CZARA
- Will Neuhauser: it seems that there are two different lists, should be a priority that gives direction; the need to focus on quantity and quality of habitat; why are estuaries not highlighted?
- Morgan Rider: we should consider water supply and resiliency, this may need to be addressed more broadly
- Board Member, John Roberts commented that this has the potential to cross state lines and asked how do we coordinate with California in the Southern part of the state
- Alan Henning: there is a partnership with Department of Environmental Quality and California within the Klamath and they are spending money in Oregon to address projects that affect California

6-INLAND AQUATIC HABITAT

Limiting Factors:

- Impaired water quality
- Reduced water quantity
- Loss of habitat connectivity
- Spread of invasive species

OWEB's Focused Investment Priority for Inland Aquatic Habitat for Native Fish Species supports voluntary actions that address limiting factors related to the quality of this habitat type. Initiatives under this priority will identify the primary limiting factors outlined in associated federal and state recovery and conservation plans that initiative is aiming to address, and will be guided by the habitat and population objectives and conservation approaches set forth in these plans. Focal areas for the Inland Aquatic Habitat for Native Fish Species Priority include those areas in Oregon that are identified as priority geographies by the associated federal recovery and/or state conservation plans.

Renee asked the Board to identify questions to be addressed in further conversations with experts:

- Ron Alvarado: noted the accomplishment of the de-listing of the Oregon Chub as a positive note
- Co-Chair Eric Quaempts: commented that the addition of fresh water mussels should be added to the list (as a species of interest) – they are culturally important to the tribe as well
- Will Neuhauser: commented that we should be more inclusive of more species within this category (suggestion: migratory birds, why stop at fish?)
- Karl Wenner: commented on the framing of the priorities and noted that we may have others coming that we do not know about yet

- Will Neuhauser: commented that he would like to see the OWEB Board make a significant dent in ecological outcomes
- Bob Webber: commented that it is not focused enough, too broad

Agenda Item B - Public Comment:

- Larry Six of the McKenzie Watershed Council talked in support of the focused investment process and commented that he still is very much in support of the regular grant program as well. He stated that the Board should prioritize some of the priorities, due to the fact that there will be a lot of organizations out there doing a lot of work to get funded and he wanted the board to be aware of that.
- Dana Dedrick of the Long Tom Watershed Council commented on her concern of the shift away from the Oregon Plan. She talked about adding water quality to fish priority. She talked about inland aquatic habitat, lots of improvement happening, be careful not to shoot for de-listings. She asked the board to consider more money into inland habitat and remove coast from inland fish. Consider the funding partners and the gaps you may leave.
- Liz Vollmer-Buhl of the Suislaw Watershed Council commented on not taking away from Open Solicitation. She also noted that there is a lot of confusion out in the communities and watersheds about this process. She was happy to see Coho as a priority. Priorities should be set at an appropriate scale. She asked that estuaries be segregated out into their own category
- Jan Irene Miller of Linn County commented on the need for municipalities to be involved in the expert process. She talked about endangered species being human beings and encouraged that OWEB ask for water quality/quantity in the solicitation process. Inland aquatic impacts up and downstream. Need to be sure there is collaboration.
- Ken Bierly of the High Desert Partnership, talked about the Harney Basin Wetland Initiative. The focus should be on specific basins within the Harney Basin. He talked about addressing species not yet listed now. He talked about a focused initiative with more partners, timing is critical.
- Dan Bell, of The Nature Conservancy, talked in support of the Long Term Investment Strategy and the Focused Investment Partnership. He talked about the impact of the strategic action plan to the outcome of ecological benefits. He talked about the efforts going on throughout the state to come up with a strategic action plan and many proposals over an accelerated two month period. He stated that there is a need for clear priorities in April from OWEB Board.
- Amy Charette, of the Confederated Tribes of Warm Springs talked about the need in the John Day River for a Focused Investment Partnership, habitat needs are critical, and the John Day is a prime location for a partnership. She stated that they need the funding to make more of an impact, they have been operating on a limited budget. Sandy McCoy of the Gilliam Soil and Water Conservation District spoke in support of the partnership need and the John Day Basin being prime and ready for a focused investment partnership that will be affective across the state. Gabe Williams of Wheeler Soil and Conservation District spoke in support of the need for a partnership in the John Day and talked about connections with landowners.
- Tom Stahl, Oregon Department of Fish and Wildlife, spoke in support of the Focused Investment Priority themes, he talked about them aligning with the Oregon Conservation Strategy. He talked about the Coastal Coho and Inland Native Fish Themes, they support the use of conservation and recovery plans to guide priorities.

The focused investment priorities fit well with the implementation phase from ODFW. Watershed scale is key and there is a benefit to multiple species. He noted a question about the connection between the Special Investment Partnership and Focused Investment Partnership process and how that would work.

- Bruce Lumper of Wasco County Watershed Council, and Whitney Olsker of USDA Forest Service talked about his support for the draft Oak Woodland and Prairie Habitat focused investment priority.
- Mark Salens, Oregon Association of Conservation Districts, commented in support of the Focused Investment Partnership for Sage Brush – Sage Steppe Habitat Priority area. He commented on the need to continue the work that is currently being done surrounding Sage Grouse.

Renee Davis, Deputy Director, moved the Board to the next steps of the process and reminded the board that she is taking suggestions today to turn into adoption of focused investment priorities at the April Board meeting.

Question 1 – Are there any other priority categories that need to be added?

- Lisa Phipps: Estuaries – as a stand-alone (well beyond Coastal Coho)
- Will Neuhauser: supportive of the concept of Estuaries as a stand-alone
- Morgan Rider: sees this as a lens, as the board evaluates, considering geographies
- Eric Quaempts: It seems more functional in nature
- Bob Webber: Question about the process and how the selection process will be structured
- Morgan Rider: Is comfortable with the priorities if application sideboards are really clear
- John Roberts: Did the experts discuss estuaries as a category?
- Will Neuhauser: Is there is a quantitative difference where estuaries are concerned
- Doug Krahmer: Hold to the 6 – strengthen language to call out what we think is important, and find a way to narrow how we fund
- Alan Henning: Further clarify what OWEB Board is looking for, so that partners don't waste their time on those items that may not get funded
- Renee Davis: told board members we could provide a map that may be helpful to have a visual
- Co-Chair Eric Quaempts – stated looking at Estuaries as a stand-alone and as incorporated into existing categories for decision in April
- Ron Alvarado: Made a suggestion that we allow space for improvements once the process is underway
- Karl Wenner: Try not to make this more complicated than it needs to be, these priority areas are all important to the board – some may also be able to apply to regular grant program

Meta Loftsgaarden, Executive Director, reminded the board that staff need to get to a decision point for April's adoption of priorities for focused investments.

Renee Davis, Deputy Director, moved to the next item:

Question: Any new information needed on the Sage Brush Sage-Steppe Habitat item?

- Mike Haske: Would like to ask if there is another bullet in primary limiting factors, consultation with landowners. There is a lot of new information coming out on Sage Grouse, a Memorandum from Fish and Wildlife Service and a map that is available, FIAT, Fire and Invasives Assessment Team, does the board want this information? If there are specific people that the board would consider on the review team, if so he would like somebody from the Agriculture Research Station in Burns
- Doug Krahmer: List of experts – get a broader perspective from Agriculture, Experiment Station – private landowner piece

Renee Davis: We will blend that in to all of the 6 priority categories

Question: Any new information or clarification needed on Oregon Closed Lakes Basin Wetland Habitats

- Doug Krahmer: Consider at April meeting prioritizing areas in green?
- Renee Davis: That was the intent, just to focus on areas in green
- Mike Haske: If a proposal reaches more than one benefit within the same focused area, the proposal should call that out

Question: Any new information or clarification needed on Dryside Forest Habitat

- Renee Davis asked the board if they would like the hot spot information from ODF and the heat map from TNC – she asked for feedback on that
- Doug Krahmer: use title Drytype Forests instead of Dryside Forest Habitat

Question: Any new information or clarification needed Oak Woodland and Prairie Habitat

- Renee Davis: There is a broader collection of plans for this process
- Will Neuhauser: This is the one map that does not have a legend, what is the map telling us?
- Ron Alvarado: commented that the drytype forest may have commonality with oak woodland and prairies – maps overlaying these two items would be helpful

Question: Any new information or clarification needed on Oregon Coastal Coho Habitat and Populations

- Renee Davis: Work with experts to identify areas that are particularly important for making impacts to de-listing the species
- Morgan Rider: Involve DEQ for regulatory and TMDL information – include where appropriate (not necessarily across all)
- Lisa Phipps: Clarity on fish passage issues – are there areas that this needs to be looked at?

Question: Any new information or clarification needed on Inland Aquatic Habitat for Native Fish Species

- Renee Davis, would you like to have similar maps with the overlay of different areas and priorities

Renee Davis: we will bring you two options on Estuaries within each of the categories and one that is a stand alone

Question: Is the Board comfortable with these options to move forward with draft priorities to bring in April

- Executive Director, Meta Loftsgaarden, noted the items that the staff will bring to the board in April to be able to approve the focused investment priorities:

- Clear about criteria for application
- Pre-consultation requirement
- Option with and without estuary maps wherever possible
- Prioritize limiting factors and hot spots
- Add additional experts
- Additional list of specific questions
- Edits from this morning

C. Other Business

1. Greg Sieglitz, Monitoring and Reporting Program Manager, provided an update on the Upper Middle Fork John Day River Intensively Monitored Watershed (IMW). The Board was asked to consider funding for the IMW from the Effectiveness Monitoring line item in the 2013-15 spending plan.

Lisa Phipps moved to award \$65,342 to the North Fork John Day Watershed Council and \$7,114 to Washington State University in support of the Intensively Monitored Watershed from the Effectiveness Monitoring line item in the spending plan and delegate authority to the Executive Director to enter into appropriate agreements with an award date of March 18, 2015 to be used for any grant agreements, seconded by Doug Kraemer, the motion was unanimously approved.

2. Richard Whitman, Governor's Natural Resources Policy Director, spoke to the Board regarding the Sage Con effort. He asked the Board to consider funding \$45,000 from the Oregon Plan/Governor's Priorities spending plan line item to support the final development of Oregon's Sage-Grouse Action Plan and begin implementation of Oregon's comprehensive All-Lands, All-Threats approach to Sage-Grouse Habitat Protection.

Bob Webber moved to award \$45,000 from the Oregon Plan/Governor's Priorities spending plan line item in support of Sage Grouse Conservation, and delegate authority to the Executive Director to enter into appropriate agreements, with an award date of March 18, 2015 to be used for any grant agreement(s). Funds will be used for the final development of Oregon's Sage-Grouse Action Plan and to begin implementation of Oregon's comprehensive All-Lands, All-Threats approach to Sage-Grouse Habitat Protection, seconded by John Roberts, the motion was unanimously approved.

Having no further business, the meeting was adjourned.



OWEB Oregon Watershed Enhancement Board Meeting Agenda

Oregon Watershed Enhancement Board April 28-29 2015

Tuesday, April 28, 2015

Mission Mill – Dye House

1313 Mill Street SE

Salem, OR 97301

Directions: http://willametteheritage.org/how_to_find_us.html

Business Meeting – 8:00 a.m.

During the public comment periods (Agenda Items G, H, and J) anyone wishing to speak to the Board on specific agenda items is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. ***The Board encourages persons to limit comments to three to five minutes.***

A. Board Member Comments

Board representatives from state and federal agencies will provide an update on issues related to the natural resource agency they represent. This is also an opportunity for public and tribal Board members to report on their recent activities and share information and comments on a variety of watershed enhancement and community conservation-related topics. *Information item.*

B. Review and Approval of Minutes

The minutes of the January 27-28, 2015 Board meeting in Astoria and March 18, 2015 Board meeting in Salem will be presented for approval. *Action item.*

C. Board Co-Chair Election

The current term of Oregon Watershed Enhancement Board Co-Chair Eric Quaempts ended in January 2015. Co-Chair Dan Thorndike will lead a discussion and vote by Board members to elect one Board Co-Chair position for a new two-year term. *Action item.*

D. Sage Grouse Policy

Meta Loftsgaarden, Executive Director, and Richard Whitman, Governor Brown's Natural Resources Director, will provide background on the Greater Sage-Grouse and the sagebrush/sage-steppe habitat on which the sage grouse rely. Director Loftsgaarden and Mr. Whitman will update the Board on the Endangered Species Act and both the status of Greater Sage-Grouse Action Planning and commitments that have been made to restore and protect sage grouse habitat in Oregon. The Board will then consider adopting a policy that OWEB will make available funding across the grant programs in support of projects that protect and restore sage grouse habitat. *Action item.*

E. SIP Bridge Funding

Meta Loftsgaarden, Executive Director, will request the Board award bridge funding to existing Special Investment Partnerships (SIPs). *Action item.*

F. Coastal Wetlands Grants—Approval of Receipt of 2015 Funds and Permission to Apply for 2016 Federal Grants

Renee Davis, Deputy Director, and Juniper Davis, Partnerships Coordinator, will request Board action on approval to receive 2015 Coastal Wetlands grant funds from the U.S. Fish and Wildlife Service and permission to apply to the National Coastal Wetlands Conservation Grant Program for funding in 2016. *Action item.*

G. Pending Regular Grant Applications**Introduction**

Prior to hearing public comment, Courtney Shaff, Grant Program Coordinator, will provide background information on the October 20-21, 2014, grant cycle.

Public Comment [approximately 10:25 a.m.]

This time is reserved for public comment on pending restoration, technical assistance, monitoring and outreach grant applications to be considered for funding by the Board. Only comments pertaining to these specific grant applications will be accepted during the meeting. The Board will not accept any written materials at this time. Any written comments pertaining to pending grant proposals must be received by agency staff by the April 10, 2015, deadline.

The Board encourages persons to limit comments to three to five minutes.

2015-2017 Grant Cycles and Board Meeting Schedule

Meta Loftsgaarden, Executive Director, and Dana Hicks, Interim Grant Program Manager, will discuss the proposed regular grant cycles and Board meeting schedule for the 2015-2017 biennium. *Action item.*

Board Consideration of Pending Regular Grant Applications

The Board will consider grant applications submitted by the October 20-21, 2014, application deadline for restoration, technical assistance, monitoring and outreach grants. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

H. Public Comment [approximately 1:35 p.m.]

This time is reserved for general public comment, as well as other matters before the Board. (Note: A separate public comment period is available within Agenda Item G for Pending Regular Grant Applications, Item J for Land and Water Acquisition Grant Applications, and Item M for Focused Investments Priorities).

I. Voluntary Incentives Program Funding Request

Dana Hicks, Interim Grant Program Manager, will request Board action on the transition of the McKenzie River Voluntary Incentives Program (VIP) from the pilot phase to full program implementation. *Action item.*

J. Land and Water Acquisition Grant Awards

Renee Davis, Deputy Director, and Miriam Hulst, Acquisitions Specialist, will request Board action on land and water acquisition grant applications that were received during the October 2014 grant cycle. The Board will hear public comment (at approximately 2:45 p.m.) on land acquisition applications. *Action item.*

K. Spending Plan Presentations and Discussion

Following an introduction by Meta Loftsgaarden, Executive Director, the Board will hear staff presentations on items in the OWEB Spending Plan. Presentations will feature a brief history of each item, the relationship with OWEB's Strategic Plan and Long-Term Investment Strategy, and any recent developments with the OWEB Spending Plan line item. *Information item.*

Wednesday, April 29, 2015**Business Meeting - 8:00 a.m.**

During the public comment periods (Agenda Items L and M) anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. **The Board encourages persons to limit comments to three to five minutes.**

L. Spending Plan Presentations and Discussion (Continued)

The Board will hear staff presentations on items in the OWEB Spending Plan. Presentations will feature a brief history of each item, the relationship with OWEB's Strategic Plan and Long-Term Investment Strategy, and any recent developments with the OWEB Spending Plan line item. Following the presentations, Meta Loftsgaarden, Executive Director, will lead the Board in a discussion of the OWEB Spending Plan. *Information item.*

L. Public Comment [approximately 11:30 a.m.]

This time is reserved for general public comment, as well as other matters before the Board. (Note: A separate public comment period is available within Agenda Item G for Pending Regular Grant Applications, Item J for Land and Water Acquisition Grant Applications, and Item M for Focused Investments Priorities).

M. Focused Investments-- Approval of Final Priorities and Revised Solicitation Process for Focused Investment Partnerships

Renee Davis, Deputy Director, will brief the Board on the priority-setting process, and proposed changes to the Focused Investment Partnership solicitation process. The Board will hear public comment (at approximately 1:40 p.m.) on Focused Investment priorities. The Board will then consider approval of final Focused Investment priorities and minor revisions to the solicitation process document. *Action item.*

N. Governor's Priorities

Meta Loftsgaarden, Executive Director, will brief the Board on two of the Governor's Priorities, Working Land Easements and the Clean Water Partnership. The Board will consider funding requests on both items. *Action item.*

O. Relocation Policy

Renee Davis, Deputy Director, and Miriam Hulst, Acquisitions Specialist, will provide a brief introduction to the Board policy on relocation for land acquisition, adopted in July 2014. Staff will request the Board consider rescinding the current relocation policy. *Action item.*

P. Executive Director Update

Meta Loftsgaarden, Executive Director, will update the Board on agency business and late-breaking issues. *Information item.*

Meeting Procedures

Generally, agenda items will be taken in the order shown. However, in certain circumstances, the Board may elect to take an item out of order. To accommodate the scheduling needs of interested parties and the public, the Board may also designate a specific time at which an item will be heard. Any such times are indicated on the agenda.

Please be aware that topics not listed on the agenda may be introduced during the Board Comment period, the Executive Director's Update, the Public Comment period, under Other Business or at other times during the meeting.

Oregon's Public Meetings Law requires disclosure that Board members may meet for meals on Monday, Tuesday, and Wednesday.

Voting Rules

The OWEB Board has 17 members. Of these, 11 are voting members and six are ex-officio. For purposes of conducting business, OWEB's voting requirements are divided into two categories – general business and action on grant awards.

General Business

A general business **quorum is six voting members**. General business requires a majority of **all** voting members to pass a resolution (not just those present), so general business resolutions require affirmative votes of **at least six** voting members. Typical resolutions include adopting, amending or appealing a rule, providing staff direction, etc. These resolutions cannot include a funding decision.

Action on Grant Awards

Per ORS 541.360(4), special requirements apply when OWEB considers action on grant awards. This includes a special **quorum of at least eight voting** members present to take action on grant awards, and affirmative votes of at least six voting members. In addition, regardless of the number of members present, **if three or more voting members object** to an award of funds, the proposal will be rejected.

Public Testimony

The Board encourages public comment on any agenda item.

A public comment period for pending grant applications will be held on Tuesday, April 28 at 10:25 a.m. The Board will not accept any written materials at that time. Any written comments pertaining to pending regular and acquisition grant proposals must be received by the April 10, 2015 deadline. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to three to five minutes.***

General public comment will be held on Tuesday, April 28 at 1:35 p.m. and on Wednesday, April 29 at 11:30 a.m. for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to three to five minutes.***

Tour

The Board may tour local watershed restoration project sites. The public is invited to attend, however transportation may be limited to Board members and OWEB staff. If you wish to join the tour, be prepared to provide your own transportation.

Executive Session

The Board may also convene in a confidential executive session where, by law, only press members and OWEB staff may attend. Others will be asked to leave the room during these discussions, which usually deal with current or potential litigation. Before convening such a session, the presiding Board member will make a public announcement and explain necessary procedures.

Questions?

If you have any questions about this agenda or the Board's procedures, please call Brandi Elmer, OWEB Board Assistant, at 503-986-0181. If special physical, language or other accommodations are needed for this meeting, please advise Brandi Elmer (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

Oregon Watershed Enhancement Board Membership

Voting Members

Board of Agriculture member: **Doug Krahmer**
Environmental Quality Commission member: **Morgan Rider**
Fish and Wildlife Commission member: **Bob Webber**
Board of Forestry member: **Cindy Deacon Williams**
Water Resources Commission member: **John Roberts**
Public member (tribal): **Eric Quaempts, Board Co-Chair**
Public member: **Lisa Phipps**
Public member: **Will Neuhauser**
Public member: **Randy Labbe**
Public member: **Dan Thorndike, Board Co-Chair**
Public member: **Karl Wenner**

Non-voting Members

Representative of NMFS: **Kim Kratz**
Representative of Oregon State University Extension Service: **Stephen Brandt**
Representative of U.S. Forest Service: **Debbie Hollen**
Representative of U.S. BLM: **Mike Haske**
Representative of U.S. NRCS: **Ron Alvarado**
Representative of U.S. EPA: **Alan Henning**

Contact Information

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, Oregon 97301-1290
503-986-0178
Fax: 503-986-0199
www.oregon.gov/OWEB

OWEB Executive Director – Meta Loftsgaarden

meta.loftsgaarden@state.or.us

OWEB Assistant to Executive Director and Board – Brandi Elmer

brandi.elmer@state.or.us
503-986-0181

2014-2016 Board Meeting Schedule (Proposed)

2014	2015	2016
January 28-29 in Portland	January 27-28 in Astoria	January 26-27, location TBD
April 29-30 in Bandon	April 28-29 in Salem	April 26-27 location TBD
July 29-30 in The Dalles	July 28-29 in John Day	July 26-27 location TBD
October 28-29 in Grants Pass	October 27-28 in Prineville	October 25-26, 2016 TBD

For online access to staff reports and other OWEB publications check our web site: www.oregon.gov/OWEB.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item D: Sage Grouse Policy**
April 28-29, 2015 OWEB Board Meeting



I. Introduction

The Governor's Office requests the Board consider making available at least \$10 million over 10 years in support of sage-grouse habitat improvements across areas considered important for greater sage-grouse. Funding would come through the agency's various grant programs as appropriate for habitat restoration and would be tracked and reported to relevant state and federal agencies, including the U.S. Fish and Wildlife Service (USFWS) through a Memorandum of Agreement (MOA) to be finalized during the next month.

II. Background on Sage Grouse and Habitat

According to Oregon's Greater Sage-Grouse Action Plan, there are over 18 million acres of sage-brush/sage-steppe habitat in Oregon. These lands support the majority of the state's livestock industry along with habitat for pronghorn antelope, elk, grouse, shorebirds, redband trout, salmon, mule deer, kit fox, and greater sage-grouse. Greater sage-grouse is considered an indicator species for the health of sagebrush habitat and of other species. Oregon has recognized through its draft Greater Sage-Grouse Action Plan that livestock ranching operations that manage for ecologically sustainable native rangelands are compatible with sage-grouse conservation, and are an important asset to habitat conservation.

The sage-grouse is a wide-ranging species that requires a variety of plant community types within sagebrush habitat to meet the needs of its annual life cycle. For instance, lekking (breeding behavior) occurs in open areas to allow for conspicuous communal breeding displays, but leks are located within larger patches of sagebrush and other vegetation that afford hiding cover. In addition, areas with dense sagebrush and perennial grasses are essential to hide sage-grouse nests from predators, while moist, forb-rich communities are needed during brood-rearing to provide a protein-rich diet to chicks. Relatively dense stands of sagebrush are required during winter months when sage-grouse diets are comprised almost exclusively of sagebrush buds and leaves. Oregon's Action Plan, while focused on the habitat needs of sage grouse, is driven by and addresses the overall health of the sagebrush ecosystem and associated habitats. The Action Plan promotes intact and functioning sagebrush landscapes.

III. Background on US Fish and Wildlife Service and the Endangered Species Act

In 2010, the USFWS determined that listing of greater sage-grouse across their existing 11-state range as a threatened species was warranted, but was precluded based on other critical work of the agency at the time. USFWS has a deadline of September 2015 to determine if conservation actions, changes in status, and new regulatory mechanism made since 2010, when the “warranted but precluded” decision was made, are enough to change its determination.

A listing of the greater sage-grouse can potentially impact eastern Oregon in a dramatic way. Effects could be wide-ranging, but are likely to include the ability for ranchers to continue grazing livestock, sustainable power generation, and development in sparsely populated eastern counties.

Oregon has seen the impacts of listing decisions across other landscapes in the state – spotted owl and coho, to name just two. The potential to stave off a coho listing was one of the reasons that the Oregon Plan and OWEB’s investments gained such momentum in the 1980s and 1990s. Investments in habitat that support coho continue to be a strong component of OWEB’s portfolio, with the hope that these investments will ultimately play a key role in delisting of Oregon Coast Coho.

IV. Background on Oregon’s Greater Sage Grouse Action Plan and Commitments to Date

In an effort to assist USFWS in making their listing decision, each state is submitting an action plan addressing threats to sage-grouse and its habitat. According to Oregon’s Action Plan, based on numerous studies and with input from affected federal, state and local jurisdictions, those threats include:

Primary – A combination of inter-related impacts from wildfire, the spread of exotic grasses, and the spread of juniper. Juniper encroachment adds to fuel loads and reduces soil moisture, leading to a vicious cycle that both increases the likelihood and severity of fire, and reduces the likelihood of reestablishment of sagebrush. Juniper also displaces native perennial bunchgrasses, which are important food sources during brood-rearing.

Secondary – Secondary threats to sage grouse include disturbance and habitat fragmentation from infrastructure (e.g., fences, roads, energy development, mining, electrical lines, improper grazing) and associated noise and predation. In the past, conversion of sagebrush to cultivated fields has also reduced the extent of sagebrush habitat. However, cultivated agriculture is not expected to expand significantly into sagebrush areas in the future. Renewable energy development and associated infrastructure was initially identified as a potential future threat for sage-grouse. However, changes in energy markets and the lack of significant transmission capacity in this part of eastern Oregon make that threat less likely. Mining is another potential long-term threat to sage-grouse and sagebrush habitat, however there is currently little

activity. Where future potential threats may arise related to these types of threats, Oregon's Action Plan addresses them through measures including new rules being advanced by the State's Land Conservation and Development Commission as well as Fish & Wildlife Commission.

In addition to identifying threats, Oregon's Action Plan and the Governor's Recommended Budget outline a number of commitments to restoring and protecting habitat critical to the greater sage-grouse. The requests are outlined as Attachment A to the staff report.

V. OWEB Commitment

Since 1999, OWEB has invested over \$8 million in for habitat projects supporting sage-grouse. This includes only those projects that identified a specific sage-grouse benefit; much more work was accomplished across the sage brush/sage-steppe range in eastern Oregon. This investment shows an ongoing commitment from both the regional review teams in the impacted area and the OWEB Board to invest in this eastern Oregon range that supports many rural communities in addition to enhancing sage-grouse habitat.

More recently, Soil and Water Conservation Districts (SWCDs) across eight eastern Oregon counties have signed a Candidate Conservation Agreements with Assurances (CCAAs) covering all of the Greater Sage Grouse habitat on private lands in Oregon. These CCAAs are voluntary agreements between the SWCDs and USFWS that identify threats to a candidate species; plan measures to address the treats and conserve the species; and identify willing landowners and develop agreements with them. Conservation measures are designed and implemented along with evaluation of their effectiveness. In exchange, landowners are protected from further regulation if the species is listed.

As a result of these CCAAs, it is anticipated over 350 landowners will agree to participate and develop site-specific plans to identify and implement habitat improvements that provide for the long-term conservation of sage grouse and its habitat as well as advance sustainable ranching operations. OWEB, the Natural Resources Conservation Service, Oregon Department of Fish and Wildlife and others will be called on to invest in that work.

VI. Funding Request

To show that Oregon is fully committed to restoring and protecting habitat for the greater sage-grouse and advancing sustainable rural economies, in addition to the funding requested through the Governor's Recommended Budget for the 2015-17 biennium, the Governor's Office requests OWEB make available at least a \$10 million investment across its grant programs over the next ten years. The Governor recognizes that this is an extraordinary request – but eastern Oregon is in an extraordinary situation with the pending listing and the widespread consequences that listing would bring. This amount will accelerate the level of investment in Oregon, reflecting recent commitments by the federal government to sage grouse funding in Oregon and the increased demand that will come from local partners through development of site specific plans under the CCAAs. While it is recognized that any commitment will be limited by funding available in a given biennium, the fact that OWEB's funding is constitutionally assured provides a significantly higher level of certainty to the USFWS.

The Governor's Office recognizes the unique nature of this request, and were it not for the extraordinary situation and potential impacts of the pending USFWS ESA listing decision on one-third of the state's land base, rural economies, communities and habitat, this request would not come before the Board. The State has faced ESA decisions in the past (i.e., coast coho, spotted owl). However they are rare, and it is even more rare that Oregon faces a decision point that is as far-reaching in nature and where the State has such a direct opportunity to influence a listing decision in the way that is now available for the Greater Sage-Grouse. The warranted-but-precluded listing gives Oregon and ten other western states an unprecedented opportunity to prove their commitment in advance of a listing decision. The request for OWEB to commit and track its investments is one critical piece of that story.

OWEB is recognized for its commitment to ensuring strong restoration investments through its vetting processes. Whether through Regional Review Teams for open solicitation grants, or the Board's approval of funding through the Oregon Plan priorities or Focused Investment spending plan line items, the Governor's Office assumes OWEB will continue its rigorous review process, ensuring that only high quality investments with a direct tie to either on-the-ground habitat improvements or work needed to ensure the best investments are made (technical assistance, capacity, landowner outreach, monitoring, etc.) count toward the requested investment. In addition, OWEB will obtain input and advice on priorities from local entities including the CCAA Advisory Committee. Details for tracking investments through OWEB to report to USFWS would be detailed through Memorandum(s) of Understanding to be completed subsequent to the Board's decision.

VII. Recommendation

The Governor's Office requests the OWEB Board make available at least \$10 million through its granting programs over the next ten years in support of projects located in Oregon's sage steppe ecosystem directed to improve Greater Sage Grouse habitat, along with co-benefits to other species native to this ecosystem. This can include both on-the-ground restoration and management projects as well as the technical assistance, capacity, landowner outreach and monitoring necessary to ensure successful habitat improvements. OWEB will track and report investments meeting this criteria.

Attachments

A: Oregon's Action Plan and Governor's Recommended Budget Requests

**Proposed Sage-Grouse / Wild-Bird Conservation-Related Investments:
2015 Legislative Session**

<u>Source</u>	<u>Name</u>	<u>Brief Description</u>	<u>Amount</u>
Governor's Rec. Budget (2015-17)	Rangeland Wildfire (ODF POP 120)	Support for Rural Fire Protection Associations and other capacity and efforts to effectively manage wildfire, protect, and promote priority sage-grouse habitat	\$1,659,000
	Invasive Annual Grass and Juniper (ODA POP 390)	Enhanced partnership investments working with landowners and other entities to inventory, treat, and track invasive species and related habitat restoration efforts.	\$500,000
	Pre-and Post-Fire Habitat Resilience (ODFW POP 132)	Investment funds for on-the-ground actions that restore habitat quality and resilience to fire as well as promote recovery of native habitat post-fire.	\$1,350,000
	Mitigation Program (ODFW POP 130)	Coordination personnel for implementing All-Lands Mitigation Approach	\$350,000
	Sage-Grouse Initiative (ODFW POP 105)	Partnership position support working with landowners, NRCS, and others to address sage-grouse habitat threats while improving sustainability of working ranches	\$90,000
	Statewide Coordinator + Grants (DLCD 108)	Coordination of All-Lands approach to habitat disturbance; local grants for county land use program implementation.	\$438,000
	Oregon Invasive Species Council (ODA POP 320)	Improves Oregon's overall response to invasive species, including in sage-grouse habitats.	\$100,000
HB 2401	Wild Bird Conservation Act	New funding source; tax on wild bird seed sales to support avian conservation actions (50% dedicated to priority sage-grouse habitats) and diversify ODFW budget structure.	\$3-4 million
OWEB	Focused Investment Partnership	Funding from state lottery dollars dedicated to focal habitats including sage-steppe; advances conifer removal and other priority sage-grouse conservation actions.	≥ \$10 million over 10 years
**OCA Legislation	**Brand surcharge	**New funding source; contingent upon No ESA listing; funds dedicated to habitat/other efforts in concert with livestock grazing.	\$800,000



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item E: Bridge Funding**
April 28-29, 2015 OWEB Board Meeting



I. Introduction

OWEB has provided Special Investment Partnership (SIP) funding for the Deschutes (2008), Willamette (2008) and Upper Klamath (2012). Staff request the Board consider bridge funding to continue investments in these partnership programs until funding decisions are made by the Board regarding the new Focused Investment Partnership program in January 2016. This funding provides no guarantee of future Focused Investment Partnership funding, but eliminates a gap in funding in the first six months of the 2015-2017 biennium.

II. Background

OWEB began its current SIP investments in 2008 with the Deschutes SIP, a four-way implementer partnership to provide habitat and passage for Chinook salmon and steelhead above the Pelton-Round Butte dam complex. The Willamette SIP followed later that year, and began as a largely funder-driven initiative in targeted areas along the Willamette River mainstem and in the 13 sub-watersheds that comprise the Model Watershed Program. Finally, in 2012, the Board approved the Upper Klamath SIP, a multi-practitioner effort to re-establish, improve, and sustain the ecological and hydrologic connectivity of aquatic ecosystems in the Upper Klamath Basin.

In late 2012, staff and the Partnerships Board Subcommittee developed a process for increasing partnership program transparency and understanding. To this end, staff and the subcommittee, working with the various program partners, developed three tools: 1) a Partnership Report template to describe each partnership and its status; 2) a Partnership Needs Assessment; and 3) a timeline for implementation of the proposed new process for partnership investments. These templates were provided to the Board at its January 2013 meeting. Staff presented the Partnership Reports at the March 2013 meeting, and one-year partnership reports at the July 2014 Board meeting.

In 2013, the Board began a process to develop the new Focused Investment Partnership program. The program was initially designed to result in funding decisions at the July 2015 Board meeting, but a need to spend additional time on priority-setting resulted in moving the decision back six months to the January 2016 Board meeting.

III. Bridge Funding Request

When the Board established the process for developing priorities and selecting Focused Investment Partnerships for funding, the timeline to complete this process resulted in a six-month lag between the end of the biennium and the time when new Focused Investment Partnerships will be selected. As a result, current SIP partners would be left without the opportunity to apply through either the Regular Grant program or to participate in a new Focused Investment Partnership during that time. The Focused Investment Board Subcommittee has discussed this challenge and proposes that the Board consider a one-time investment of 25 percent of each partner program to carry those programs through the first quarter of the 2015-17 biennium. The total cost of this bridge-funding would be a one-time addition of \$1,950,000.

IV. Recommendation

Staff recommend the Board award up to \$1,950,000 from the 2013-15 Spending Plan to provide bridge funding for the Deschutes, Willamette, and Upper Klamath Special Investment Partnerships as described in Section III of this staff report, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements, with an award date of July 1, 2015 to be used for any grant agreement(s).



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Renee Davis, Deputy Director
Juniper Davis, Partnerships Coordinator
SUBJECT: Agenda Item F: Coastal Wetlands Grants
April 28-29, 2015 OWEB Board Meeting



I. Introduction

Staff request the Board approve receipt of three grant awards from the U.S. Fish and Wildlife Service's (USFWS) 2015 National Coastal Wetlands Conservation Grant Program (NCWCGP) and delegate authority to the Director to award federal funds to those three projects. Staff also request the Board delegate authority to the Director to award federal funds for restoration activities on a 2011 NCWCGP award. Finally, staff request Board approval to submit one application on behalf of a local partner, the City of Cannon Beach, to USFWS for the current solicitation under the 2016 NCWCGP.

II. Background

OWEB has been designated as an eligible state agency to submit applications to the NCWCGP. Applications from local implementers can only be submitted by a state agency, and OWEB is established as a trusted partner with the program. Any Oregon agency submitting a grant application for federal funding must receive legislative approval to submit the application and may also be required to obtain legislative authorization to receive and expend the funds if the grant is successful.

In 2013 and 2014, staff worked to revise the internal process for submitting applications to the NCWCGP. The new process provides clear deadlines for local partners and includes a more robust internal review process to better prepare OWEB staff for subsequent Board and Legislative approvals. The process also ensures OWEB staff and Board have detailed project information earlier in the process to inform decisions in advance of the NCWCGP application deadline in June of each year. This refined process requires applicants submit a Letter of Interest in December, a Pre-Proposal in February, site tours with a review team conducted in March, Board decision in April, legislative review in May, and final submission of the NCWCGP application in June.

Subsequent to these process steps, the local implementer must also fulfill all requirements of submission, review, and Board consideration of the project through the regular grant program or land acquisition program for the state funding match before a NCWCGP project will be considered approved by OWEB. If funding is not approved by the Board through this process, then staff will not recommend proceeding with receipt

of the federal funds. OWEB's program administration process and timeline for vetting proposed NCWCGP projects is shown in Attachment A.

III. NCWCGP Funding Awarded in January 2015

In early January 2015, the USFWS announced NCWCGP awards for project applications that were submitted in 2014. All three of OWEB's submissions were approved:

- 1) Scholfield Creek Tidal Wetlands Conservation Project – Funded in the amount of \$630,577 for the acquisition and restoration of 241 acres in the Umpqua River estuary to be undertaken by the Partnership for the Umpqua Rivers and the McKenzie River Trust;
- 2) Kilchis Wetlands Conservation and Restoration Project – Funded in the amount of \$1,000,000 for the acquisition of 61 acres and the restoration of 127 acres in the Kilchis River basin in Tillamook Bay undertaken by The Nature Conservancy; and
- 3) China Camp Creek Project – Funded in the amount of \$1,000,000 for the replacement and upgrade of the tidegate infrastructure to reestablish tidal influence on 1,700 acres in the Coquille River estuary undertaken by the Beaver Slough Drainage District.

IV. NCWCGP Funding Awarded in January 2011

In 2011, OWEB was awarded \$1,000,000 in NCWCGP funding for the Tillamook Bay Wetlands Acquisition and Restoration project. At the time, staff did not request the Board delegate authority to the Director to enter into grant agreements with the local partner, Tillamook County, because design details had not yet been developed and subsequently vetted within the local community.

During the intervening years, the project has been refined into a publically supported acquisition and restoration project locally referred to as "Southern Flow Corridor – Landowner Preferred Alternative." At its April 29-30, 2014 meeting, the Board awarded \$1,620,152 in state funding to support acquisition of properties critical to the project's success.

Staff propose allocating \$600,000 of the 2011 NCWCGP award to restoration elements of the project, including activities such as tidal channel excavation, ditch filling, channel reconnection, and project management for the restoration activities. Construction is scheduled to begin in the spring of 2016.

V. Proposed NCWCGP Application for 2015

On November 11, 2014, OWEB released a notice of deadlines for the 2015 application cycle. Of the two Letters of Interest subsequently submitted in mid-December, one has developed into a proposed project: the City of Cannon Beach's Ecola Creek Wetlands Protection and Restoration project.

On February 9, 2015, the City of Cannon Beach submitted a pre-proposal to OWEB which formally started the agency's review process described in Section II above. The pre-proposal initially was reviewed by staff from OWEB's Focused Investments and

Policy Program and OWEB's Grant Program. The pre-proposal then was reviewed by a Coastal Wetlands Expert Review Team that was convened by OWEB. On March 20, 2015, a site tour of the proposed project site was conducted by the Coastal Wetlands Expert Review Team, along with staff from OWEB and USFWS's NCWCGP. (OWEB's Region 1 Program Representative conducted a separate site tour.)

Based on the review, staff and the Coastal Wetlands Expert Review Team recommend moving forward with submission of a NCWCGP application for the Ecola Creek project. A brief overview of the project is provided below and a written evaluation is included as Attachment B:

Ecola Creek Wetlands Protection and Restoration Project – This project is located east of the City of Cannon Beach in Clatsop County. The City proposes to acquire approximately 30 acres of estuarine and coastal freshwater forested and emergent wetlands immediately adjoining the existing Ecola Creek Forest Reserve. Acquisition will allow the City to consolidate management and increase connectivity with the adjacent preserve. Once acquired, the City plans to undertake restoration activities aimed at improving fish passage and hydrologic connection in lower Ecola and Waterhouse Creeks. *NCWCGP request: \$130,800; Total project cost: \$268,458; Local sponsor: City of Cannon Beach.*

VI. Recommendation

Staff recommend the Board:

- 1) Approve receipt of funding in the amount of \$2,630,577 from the U.S. Fish and Wildlife Service under the 2015 National Coastal Wetlands Conservation Grant Program and delegate authority to the Executive Director to distribute funds through the appropriate grants and agreements in support of the following projects, contingent on the successful award of OWEB state match:
 - a. Scholfield Creek Tidal Wetlands Conservation Project, \$630,577;
 - b. Kilchis Wetlands Conservation and Restoration Project, \$1,000,000; and
 - c. China Camp Creek Project, \$1,000,000;
- 2) Delegate authority to the Executive Director to distribute up to \$600,000 from 2011 National Coastal Wetlands Conservation Grant Program, Award Number FP11AP00490, in support of tidal restoration activities for the Tillamook Bay Wetlands Acquisition and Restoration project; and
- 3) Approve the submission of an application for the Ecola Creek Wetlands Protection and Restoration Project to the U.S. Fish and Wildlife Service's 2016 National Coastal Wetlands Conservation Grant Program.

Attachments

- A. OWEB USFWS NCWCGP Program Administration Timeline
- B. Ecola Creek Evaluation

Oregon Watershed Enhancement Board
USFWS National Coastal Wetlands Conservation Grant Program
Program Administration Timeline

- *Deadlines of importance to local implementers are noted in **red** below*

DEADLINE Dec. 15, 2014: Local implementer submits Letter of Interest to OWEB

February 7, 2015: USFWS announces FY2016 National Coastal Wetlands Conservation Grant Program (NCWCGP) grant offering and sets the application deadline

DEADLINE Feb. 9, 2015: Local implementer submits Pre-Proposal to OWEB

Feb.-Apr. 2015: OWEB convenes a Coastal Wetlands Review Team to engage in programmatic vetting of the proposed NCWCGP application submission; OWEB conducts site tours with Coastal Wetlands Review Team and USFWS staff

DEADLINE May 1, 2015: Local implementer submits Draft NCWCGP application to OWEB

Apr. 28, 2015: OWEB Board votes on decision to submit NCWCGP application at Board Meeting

May 8, 2015: OWEB submits Draft NCWCGP application to USFWS for review

May 29, 2015: USFWS provides comments on Draft NCWCGP application to OWEB

May-Jun. 2015: OWEB seeks legislative approval to submit NCWCGP application

DEADLINE Jun. 17, 2015: Local Implementer submits Final NCWCGP application to OWEB

Jun. 24, 2015: OWEB submits Final NCWCGP application to the USFWS

DEADLINE Oct. 19, 2015: Local implementer submits acquisition, technical assistance, and/or restoration grant application to OWEB for state match funding

Dec. 2015 – Feb. 2016: OWEB Acquisition and/or Regional Review Teams review OWEB grant applications through regular OWEB processes and make funding recommendations

Jan. 2016: USFWS NCWCGP awards are announced

Mar. 2016: OWEB Management determines funding lines for all OWEB grant applications with consideration of Review Teams' funding recommendations and available funding

Apr. 26, 2016: OWEB Board makes final funding decision on OWEB grant application and final decision to move forward with NCWCGP award

Ecola Creek Wetlands Restoration and Protection

Cannon Beach, Oregon

Local Partner: City of Cannon Beach

OWEB Review Process:

On December 15, 2014 the City of Cannon Beach (hereinafter referred to as "*the City*") submitted a Letter of Interest to OWEB for acquisition and restoration work on approximately 30 acres in lower Ecola and Waterhouse Creeks. On January 26, 2015, OWEB staff visited the project site with representatives from the City in order to determine basic project eligibility. The City then formally submitted to OWEB a Pre-Proposal for the "Ecola Creek Wetlands Protection and Restoration" project on February 9, 2015. Following a completeness review by OWEB staff, the Pre-Proposal was forwarded to the members of the Coastal Wetlands Expert Review Team (CWERT) for review and evaluation. On March 20th, the CWERT conducted a site visit to the property. Three members of the CWERT, OWEB's Acquisitions Specialist, OWEB's Partnerships Coordinator, and a representative from the USFWS's NCWCGP program were able to attend the site tour and participate in the discussion of the project. CWERT members reviewed the Pre-Proposal based on guidance from OWEB's review worksheet, "*The National Coastal Wetlands Conservation Grant Program: Program and Technical Review Process.*" CWERT members specifically evaluated the project based on questions found in *Review Step 2: Basic Screening Questions* and *Review Step 3: Additional Evaluation Questions*.

CWERT Comments:

The CWERT believes that acquisition of the property has a high potential to provide habitat connectivity due to its location immediately adjacent to the City's Ecola Creek Forest Reserve (hereinafter referred to as "*Reserve*"). From the Pre-Proposal's maps and photos, along with direct observations from the site tour, it was apparent to the CWERT that although the property had been logged in the past, the property was observed to be in a high-quality condition. The CWERT noticed very limited encroachment by exotic species and they also made note of the natural recruitment of native plants including spruce.

The property is comprised of wetlands, and as a result, the CWERT does not believe the property is under threat from development, nor does the team think that logging or other related uses are a high likelihood due to the lack of merchantable resources. However, the CWERT believes that acquisition would be valuable, primarily in order to fold into the management of the property into the larger, adjacent Preserve. The City has funds for regular maintenance of the Preserve, and if the NCWCGP application is successful and acquisition is accomplished, ownership by the City would allow for restoration activities on this site aimed at improving fish passage and hydrological function. The CWERT was supportive of acquisition of

the property in order to consolidate management and amplify the benefits of protecting this site with the larger Reserve.

On the site tour, the CWERT spent considerable time discussing design options for hydrological reconnection along the remnant roadbed at the northeastern corner of the property. The CWERT was supportive of the City's goal to address the hydrological flow issue and recommended that the City focus their efforts on the portion of remnant roadbed that contains a six-inch culvert at the furthest northeastern point. The CWERT's perspective was that hydrologic flow on the remaining roadbed was sufficient and that disturbance by machinery should be minimized due to the low level of invasives currently on the property. Apart from this restoration design recommendation, the CWERT is supportive of the City's efforts to re-establish hydrological connection and improve fish passage on the property.

OWEB's Acquisitions Specialist recommends that the City completes an appraisal of the property in the near term in order to ensure that the current landowner will accept the offered price. She also recommends that the City address, through the completion of a Phase 1 and/or Phase 2 Environmental Site Assessment, any impacts from the property to the west, which previously served as the City's tertiary wastewater treatment area. Finally, the Acquisitions Specialist recommends that the City complete a title search in order to determine if there any encumbrances to the title that might prevent acquisition, as well as to establish the legal access to the property.

CWERT Recommendation:

The CWERT is supportive of submitting the NCWCG application to USFWS.

Prepared by:

Juniper Davis, Partnerships Coordinator



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Courtney Shaff, Grant Program Coordinator
SUBJECT: **Agenda Item G: OWEB Regular Grant Program Overview
April 28-29, 2015 OWEB Board Meeting**



I. Introduction

This staff report provides an overview of the October 2014, regular grant cycle and budget considerations.

II. October 2014 Cycle Background and Summary

A. Applications Submitted

The October 2014 Regular Grant Cycle offered Restoration, Technical Assistance, Monitoring, and Outreach applications. A total of 170 grant applications, seeking nearly \$19 million, were received by the October 2014, deadline. Attachment A shows applications submitted by region, project type, and dollar amount.

As a result of an April 2014 Continuous Improvement event, staff made several changes on how applications were accepted for this cycle. For the first time OWEB accepted applications over two days, October 20-21, and accepted applications submitted in pdf format via email. Of the 170 applications submitted 141 (83%) were submitted via email and many applicants commented that the process saved them not only time, but also money. Staff will continue to accept applications over two days and in pdf format via email for the April 2015 grant cycle.

B. Applications Withdrawn or Determined Ineligible

Following the application deadline, two Restoration applications (215-4036, 215-4038) and one Outreach application (215-4027) were withdrawn by the applicants prior to review. One Restoration application (215-4037) was withdrawn after the review when OWEB staff and the applicant determined that an amendment to an existing grant would accomplish the same goals and allow for a more efficient and timely project implementation and grant administration process. Additional information on this application is provided in the Region 4 staff report. One Restoration application (215-2054) was determined to be ineligible because it was tied to mitigation requirements and was withdrawn prior to review.

C. Development of Staff Recommendations

The applications were sent to the six Regional Review Teams (RRTs), which reviewed them for merit and made prioritized funding recommendations to OWEB staff. OWEB staff considered the funding availability and the Board's 2013-2015 spending plan, as updated at the July 2014 Board meeting. Staff then integrated the separate

RRT recommendations into the staff funding recommendation to the Board. Attachment B contains the overall recommendations, and specifically details by region and type the number of applications recommended by the RRTs and staff, and the dollar amounts recommended by staff. Following this overview are staff reports containing the OWEB staff funding recommendations for each region.

D. Review Process

Staff sent eligible grant proposals to the RRTs to read and consider. Staff in each region then scheduled visits to as many sites as possible, emphasizing new applications and the more complicated projects. All RRT members were invited on these visits and some members were able to participate.

The Oregon Plan Monitoring Team (OPMT), which is made up of state natural resource agency representatives, met in January 2015 to discuss the technical merits and potential benefits of the monitoring applications. The OPMT reviews each application for its benefits relative to watershed functions, evaluating effectiveness of salmon recovery, and to the people and processes that comprise the Oregon Plan for Salmon and Watersheds (OPSW). In addition, the OPMT assessed the certainty that a proposed monitoring project would accomplish its stated objectives. The results of this review were provided to OWEB Regional Program Representatives to assist in project evaluation.

The RRTs met December 2014-February 2015. In their RRT meetings, reviewers considered the ecological significance of the proposed project, technical merit, feasibility, likelihood of success, experience of the applicant, and whether the budget supports the proposed work. Given the increasing competitiveness of applications, together with reduced availability of OWEB grant funds, reviewers also considered the overall cost-benefit of applications, as contemplated by OWEB's administrative rule 695-010-0070(e) ("whether the overall budget reflects the expected watershed health benefit").

After classifying Restoration, Technical Assistance, Monitoring, and Outreach applications as "fund" or "no fund," the RRTs then prioritized the projects recommended for funding by application type. The RRT recommendations are included in each applicable regional staff report. The recommended funding amount and any special conditions are identified in the tables attached to each regional staff report.

The review teams' evaluations and recommendations in summary form are distributed to all applicants whose proposals were reviewed by that team. Prior to the Board meeting, staff forward to the Board all written comments received from applicants regarding the review team and staff recommendations.

III. Staff Funding Recommendations

The funding recommendations for the October 2014 cycle fall within the Board's updated spending plan, as shown in Table 1 below.

Table 1. 2013-2015 OWEB Spending Plan and October 2014 Cycle Staff Funding Recommendations

Grant Type	Spending Plan	Staff Recommendations	Grant Funds Remaining
Restoration	\$7,065,000	\$6,987,278	\$77,722
Technical Assistance	\$792,000	\$815,776	(-\$23,776)
Monitoring	\$1,049,000	\$1,049,000	\$0
Outreach	\$500,000	\$514,142	(-\$14,142)
TOTAL	\$9,406,000	\$9,366,196	\$39,804

Table 1

A. October 2014 Cycle – Regional Application Funding Recommendations

Staff recommendations for Board action are identified by region for the applications indicated in each of the following six regional reports. “Fund” applications are indicated on the regional Attachment A tables by gray shading.

Staff recommend funding for:

- 53 of the 60 Restoration applications recommended by the RRTs;
- All 20 Technical Assistance applications recommended by the RRTs;
- All 11 of the Monitoring applications recommended by the RRTs; and
- 19 of the 26 Outreach applications recommended by the RRTs.

Details are contained within each of the attached regional staff reports.

Attachments

- A. Grant Applications Submitted for the October 2014 Grant Cycle
- B. RRT and Staff Funding Recommendations for the October 2014 Grant Cycle

Oregon Watershed Enhancement Board

Types of Applications Received for October 2014

	Monitoring	Outreach	Technical Assistance	Restoration	Totals
Region 1	4	8	5	7	24
Region 2	4	7	8	14	33
Region 3	3	10	3	20	36
Region 4	0	3	5	10	18
Region 5	3	3	4	24	34
Region 6	2	4	2	17	25
Totals	16	35	27	92	170

Table 1

Dollar Amounts by Application Type

	Monitoring	Outreach	Technical Assistance	Restoration	Totals
Region 1	\$302,572	\$200,140	\$186,207	\$1,373,445	\$2,062,364
Region 2	\$578,363	\$268,983	\$288,560	\$4,488,297	\$5,624,203
Region 3	\$243,590	\$350,133	\$129,859	\$3,548,659	\$4,272,241
Region 4	\$0	\$93,283	\$169,493	\$2,360,759	\$2,623,535
Region 5	\$192,336	\$79,344	\$174,397	\$1,557,137	\$2,003,214
Region 6	\$394,864	\$90,030	\$66,368	\$1,768,587	\$2,319,849
Totals	\$1,711,725	\$1,081,913	\$1,014,884	\$15,096,884	\$18,905,406

Table 2

Funding Recommendations for the October 20, 2014 Grant Cycle

Number of Applications Recommended by Review Teams and Staff for Funding

Region	Technical RRT	Technical Staff	Monitoring RRT	Monitoring Staff	Outreach RRT	Outreach Staff	Restoration RRT	Restoration Staff
Region 1	3	3	4	4	6	5	6	5
Region 2	7	7	3	3	6	3	9	5
Region 3	1	1	1	1	8	3	11	9
Region 4	3	3	0	0	2	2	8	8
Region 5	4	4	2	2	3	3	15	15
Region 6	2	2	1	1	3	3	12	11
Total	20	20	11	11	28	19	61	53

Dollar Amounts by Application Type Recommended by Staff for Funding

Region	Technical Assistance	Monitoring	Outreach	Restoration
Region 1	\$111,140	\$290,164	\$100,914	\$1,079,373
Region 2	\$277,760	\$357,693	\$90,167	\$923,414
Region 3	\$39,969	\$74,486	\$114,839	\$1,417,760
Region 4	\$146,142	\$0	\$65,336	\$1,613,052
Region 5	\$174,397	\$167,116	\$79,344	\$1,104,111
Region 6	\$66,368	\$159,541	\$63,542	\$849,568
Total	\$815,776	\$1,049,000	\$514,142	\$6,987,278



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item G-1: 2015-2017 Grant Cycles and Board Meeting Schedule
April 28-29, 2015 OWEB Board Meeting**



I. Introduction

This staff report seeks Board approval for the solicitation of grant offerings and Board meetings for the 2015-2017 biennium.

II. Background

Staff recommend the following grant offerings based on the 2015-2017 spending plan, with the expectation that subsequent updates would be recommended to the spending plan and grant cycle offerings based on the award of Pacific Coastal Salmon Recovery Funds (PCSRF):

- A. Four cycles for Restoration and Technical Assistance (April 2015, October 2015, April 2016, and October 2016)
- B. One cycle (October 2015) for Outreach and Monitoring, with a future Outreach and Monitoring cycle to be determined (depending on additional PCSRF or other funding, and Board priorities)
- C. Two cycles for Land Acquisitions (October 2015 and October 2016)
- D. Two cycles for Water Acquisitions (timing to be determined)

III. 2015-2017 Board Meeting Dates

Staff have developed a recommendation for grant cycle deadlines and Board meeting dates for the 2015-2017 biennium, which is included in Attachment A.

IV. Recommendation

Staff recommend the Board adopt the 2015-2017 schedule of grant application deadlines and Board meeting dates, as shown in Attachment A to this staff report. This schedule may be subject to change based on pending and future PCSRF awards.

Attachment

- A. 2015-2017 Proposed Grant Application Deadlines and Board Meeting Dates

2015-2017 Biennium Grant Application Deadlines and Board Meeting Dates

Application Deadline	Application Type(s)	Board Meeting Dates/Locations
	N/A	July 28-29, 2015 (T-W) Region 4, Prineville
April 20, 2015	Restoration, Water Acquisition, Technical Assistance	October 27-28, 2015 (T-W) Region 6, John Day
	N/A	January 26-27, 2016 (T-W) Region 3, McMinnville
October 19, 2015	Restoration, Technical Assistance, Outreach, Monitoring, Land Acquisition	April 26-27, 2016 (T-W) Region 5, LaGrande
	N/A	July 26-27, 2016 (T-W) Region 1, Lincoln City/Seaside
April 18, 2016	Restoration, Technical Assistance, Other types to be determined	October 25-26, 2016 (T-W) Region 2, North Bend, Ashland
	N/A	January 24-25, 2017 (T-W) Region 4, Madras
October 17, 2016	Restoration, Technical Assistance, Land Acquisition, Other types to be determined	April 25-26, 2017 (T-W) Region 3, Salem
March 2, 2017	Council Capacity	July 25-26, 2017 (T-W) Location TBA
April 17, 2017	To be determined	October 24-25, 2017 (T-W) Location TBA
	N/A	January 30-31, 2018 (T-W) Location TBD
October 23, 2017	To be determined	April 24-25, 2018 (T-W) Location TBD
	N/A	July 24-25, 2018 (T-W) Location TBD

** Two cycles for Water Acquisitions during 2015-2017 biennium (timing TBD)



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Courtney Shaff, Grant Program Coordinator
Tom Shafer, North Coast Regional Program Representative

SUBJECT: **Agenda Item G: OWEB Grant Award Recommendations
Region 1, North Coast
April 28-29, 2015 OWEB Board Meeting**



I. Introduction

This staff report summarizes the North Coast Regional Review Team (RRT) and staff recommendations for funding.

II. Summary of Regional Review Team Recommendations

Applicants submitted 24 applications for a total request of \$2,062,364. The North Coast Region Review Team (RRT) met in February 2015, to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance, Monitoring and Outreach applications were reviewed for merit and given a “fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding by application type.

The North Coast RRT recommended 19 applications for funding: Six Restoration, three Technical Assistance, six Outreach and four Monitoring applications. (For additional information, see the summaries of the Review Team Evaluations.)

III. Staff Recommendation

For the April Board meeting, staff recommends funding for 17 applications for a total award of \$1,581,591: \$1,079,373 for Restoration, \$111,140 for Technical Assistance, \$290,164 for Monitoring and \$100,914 for Outreach.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “fund” recommendations, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

Region 1 - North Coast

Restoration Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-1039	Clatskanie River Fish Passage Improvement Phase II ^	197,856	1
215-1021	Salmon River Tributary Fish Passage Improvement ^	70,000	2
215-1038	Schwarz Planting Project PE \$39,310	109,715	3
215-1036	Kilchis Estuary Preserve Restoration Project - Revegetation Phase * PE \$282,690	582,358	4
215-1042	Wallooskee Headwaters Fish Passage and Large Wood Placement * ^	119,444	5
215-1040	Moon Creek Fish Passage Improvements *	57,280	6
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,136,653	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,079,373	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions PE = Plant Establishment

Region 1 - North Coast

Technical Assistance Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-1035	Lower Nehalem Watershed Culvert Assessment	19,460	1
215-1023	Thompson Creek Culvert Investigation ^	41,680	2
215-1033	Estuary Assessment, Landward Migration Zones ** ^	50,000	3
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$111,140	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$111,140	

** Listed Amount Reflects Recommended Increase ^ Fund with Conditions

Region 1 - North Coast

Outreach Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-1025	Siuslaw Middle School Stream Team	7,695	1
215-1020	Siuslaw Salmon & Watershed Studies (aka Siuslaw Stream Team Extension IX)	24,581	2
215-1041	Lower Columbia Restoration and Outreach Project (Lower Columbia Project)	33,194	3
215-1024	Siuslaw Watershed Camps 2015	15,444	4
215-1030	Restoring Ecosystems and Educating Future ("REEF" Conservation Leaders Program) *	20,000	5
215-1037	Natural Resource Restoration and Research Crew Project ^	27,778	6
Total Outreach Projects Recommended for Funding to Staff by RRT		\$162,692	
Total Outreach Projects Recommended for Funding by Staff to Board		\$100,914	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

Region 1 - North Coast

Monitoring Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-1029	Mid Coast Monitoring Project	125,399	1
215-1031	Mill Cr. Siletz Watershed Effectiveness Monitoring *	125,831	2
215-1028	2015-16 Volunteer Water Quality Monitoring Program ^	7,362	3
215-1026	2015-2016 Salmon-Drift Water Quality Monitoring ^	31,572	4
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$290,164	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$290,164	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

Region 1 - North Coast**Restoration Applications Not Recommended for Funding by the RRT****October 20, 2014 Grant Cycle**

Project #	Project Name	Total Amount
215-1022	Crow Creek Culvert Replacement	129,945

Region 1 - North Coast**Technical Assistance Applications Not Recommended for Funding by the RRT****October 20, 2014 Grant Cycle**

Project #	Project Name	Total Amount
215-1027	Indian Creek Sub-Basin Project Development	29,999
215-1034	Big Elk Road Sediment	50,000

Region 1 - North Coast**Outreach Applications Not Recommended for Funding by the RRT****October 20, 2014 Grant Cycle**

Project #	Project Name	Total Amount Requested
215-1032	Stream Webs Student Stewardship Network Professional Development	27,933
215-1043	Clatsop County Landowner Outreach	29,515



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Courtney Shaff, Grant Program Coordinator
Mark Grenbemer, Southwest Oregon Regional Program Representative

SUBJECT: **Agenda Item G: OWEB Grant Award Recommendations
Region 2, Southwest Oregon
April 28-29, 2015 OWEB Board Meeting**



I. Introduction

This staff report summarizes the Southwest Oregon Regional Review Team (RRT) and staff recommendations for funding.

II. Summary of Regional Review Team Recommendations

Applicants submitted 33 applications for a total request of about \$5.1million. Restoration Project 215-2054 was determined to be ineligible because it was tied to mitigation requirements and was removed from the review process. The Southwest Oregon RRT met in January 2015 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance, Monitoring and Outreach applications were reviewed for merit and given a “fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding by application type. The Southwest Oregon RRT recommended funding for 25 applications: Nine Restoration, seven Technical Assistance, three Monitoring and six Outreach. (For additional information, see the summaries of the Review Team Evaluations.)

III. Staff Recommendations

For the April Board meeting, staff recommend funding for 18 applications for a total award of \$1,649,034: \$923,414 for Restoration, \$277,760 for Technical Assistance, \$357,693 Monitoring and \$90,167 for Outreach.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “fund” recommendations, shown in gray shading.

For some “fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

Region 2 - Southwest Oregon

Restoration Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-2043	Fielder and Wimer Dam Removal Project	462,845	1
215-2044	Tenmile Creek Restoration - Wageman ^	106,761	2
215-2041	Sucker Creek Channel and Floodplain Restoration - Phase 3 ^	37,100	3
215-2040	GHID Fish Passage Improvement Project, Phase 2 ^	81,550	4
215-2048	Camp Creek Instream Restoration 2015 ^	235,158	5
215-2037	East Fork Millicoma Oxbow Reconnection and Habitat Restoration * ^	1,794,997	6
215-2026	Woodward Creek-Fairview LWD Restoration	58,209	7
215-2035	Lower Marlow Creek Channel and Riparian Restoration ^	93,811	8
215-2036	Stock Slough Riparian Restoration & Noxious Weed Control Project ^ PE \$16,285	103,710	9
Total Restoration Projects Recommended for Funding to Staff by RRT		\$2,974,141	
Total Restoration Projects Recommended for Funding by Staff to Board		\$923,414	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions PE = Plant Establishment

Region 2 - Southwest Oregon

Technical Assistance Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-2033	Upper Applegate Fish Passage Design ^	38,100	1
215-2047	Upper Umpqua River Restoration Planning Technical Assistance ^	39,940	2
215-2049	West Fork Cow Creek Watershed Action Plan	49,938	3
215-2034	Rogue Basinwide Priority Barrier Removal Analysis	28,500	4
215-2031	South Fork Coos River Aquatic Inventory Surveys	49,815	5
215-2050	Rogue Basin Riparian Assessment and Restoration Prioritization Project ^	24,516	6
215-2039	Wasson Creek Watershed Restoration Plan ^	46,951	7
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$277,760	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$277,760	

^ Fund with Conditions

Region 2 - Southwest Oregon

Outreach Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-2051	Master Watershed Stewards: Connecting Communities Through Service-Learning	41,064	1
215-2028	2016 and 2017 Umpqua Fish Eggs to Fry Program ^	11,196	2
215-2055	Curry Watersheds Education Program 2015-16 ^	37,907	3
215-2053	Watershed Science for 6th Graders ^	23,771	4
215-2032	Bear Creek Outreach Project * ^	34,874	5
215-2025	Nonpoint Source Pollution and Stream Wise Watershed Outreach Package * ^	40,950	6
Total Outreach Projects Recommended for Funding to Staff by RRT		\$189,762	
Total Outreach Projects Recommended for Funding by Staff to Board		\$90,167	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

Region 2 - Southwest Oregon

Monitoring Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount	Priority
215-2046	Umpqua Basin Collaborative Monitoring 2015-2016	204,789	1
215-2045	Coos Watershed Hydrological, Meteorological, & Water Quality Monitoring, 2015-2016 ^	85,682	2
215-2027	WISE Pre-Project Effectiveness Monitoring * ^	67,222	3
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$357,693	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$357,693	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

Region 2 - Southwest Oregon
Restoration Applications Not Recommended for Funding by the RRT
October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount
215-2029	Oak Street Water Conservation Project (OSWCP)	1,128,882
215-2038	Market Creek Fish Passage	51,874
215-2042	Deer Creek Stream Restoration Phase 1A	98,400
215-2052	Winchester Creek Coho Spawning Habitat Improvement	98,479

Region 2 - Southwest Oregon
Restoration Applications Ineligible for Funding
October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount
215-2054	South Shasta Avenue Culvert Replacement	38,000

Region 2 - Southwest Oregon
Technical Assistance Applications Not Recommended for Funding by the RRT
October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount
215-2024	Bitterlick Creek Fish Passage Improvement Alternative Development	10,800

Region 2 - Southwest Oregon

Outreach Applications Not Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount
215-2057	Urban Outreach: Rogue Basin	23,398

Region 2 - Southwest Oregon

Monitoring Applications Not Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount
215-2056	Curry Watersheds WQ Strategy & Trends	89,583



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Courtney Shaff, Grant Program Coordinator
Liz Redon, Willamette Basin Regional Program Representative

SUBJECT: **Agenda Item G: OWEB Grant Award Recommendations
Region 3, Willamette Basin
April 28-29, 2015 OWEB Board Meeting**



I. Introduction

This staff report summarizes the Willamette Basin Regional Review Team (RRT) and staff recommendations for funding.

II. Summary of Regional Review Team Recommendations

Applicants submitted 36 applications for a total request of just under \$4.3 million. The Willamette Basin RRT met in February 2015 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance, Outreach and Monitoring applications were reviewed for merit and given a “fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding by application type.

The Willamette Basin RRT recommended funding for 21 applications: 11 Restoration applications, one Technical Assistance application, eight Outreach applications and one Monitoring application. (For additional information, see the summaries of the Review Team Evaluations.)

III. Staff Recommendations

For the April Board meeting, staff recommend funding for 14 applications for a total award of \$1,647,054: \$1,417,760 for Restoration, \$39,969 for Technical Assistance, \$114,839 for Outreach and \$74,486 for Monitoring.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “fund” recommendations, shown in gray shading.

For some “fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

Region 3 - Willamette Basin
Restoration Applications Recommended for Funding by the RRT
October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-3048	Upper Sandy River Habitat Restoration Project	183,205	1
215-3032	Bird Haven Restoration PE \$83,046	199,789	2
215-3057	Coyote Creek South: Wet Prairie-Vernal Pool Restoration Phases 1 & 2 EM \$23,986	152,132	3
215-3033	Bald Hill Farm Oak Restoration	159,800	4
215-3036	Milton Creek Large Wood Enhancement *	183,621	5
215-3029	Upper Crabtree Creek Watershed Fish Passage	176,652	6
215-3058	Meadowlark East Prairie & Oak Savanna Project	106,224	7
215-3026	Expanding the Benefit-Luckiamute Riparian Revegetation PE \$113,232	176,409	8
215-3025	Morgan and Johnson Creeks Log Placement Project	79,928	9
215-3046	Greasy Creek Cutthroat Trout Habitat **	110,488	10
215-3034	Heritage Seedlings Floodplain Restoration PE \$92,966	140,219	11
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,668,467	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,417,760	

* Listed Amount Reflects Recommended Reduction ** Listed Amount Reflects Recommended Increase PE = Plant Establishment EM = Effectiveness Monitoring

Region 3 - Willamette Basin

Technical Assistance Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-3054	Lower Long Tom River Fish Passage and Floodplain Restoration Project	39,969	1
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$39,969	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$39,969	

Region 3 - Willamette Basin

Outreach Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-3040	McKenzie Watershed Outreach Project	47,074	1
215-3030	South Santiam-Calapooia Youth Watershed Councils ^	31,392	2
215-3055	Engaging Clackamas Communities in Stewardship	36,373	3
215-3031	Kings Valley Watershed Stewards - Phase I	32,888	4
215-3041	Middle Fork Willamette Watershed Rangers & Stewards Project	20,870	5
215-3056	Sandy Basin-Wide Outreach Program	36,104	6
215-3045	The Meldrum Bar Restoration and Outreach Project (Meldrum Bar Project)	32,134	7
215-3028	Slough School- SERVE	38,350	8
Total Outreach Projects Recommended for Funding to Staff by RRT		\$275,185	
Total Outreach Projects Recommended for Funding by Staff to Board		\$114,839	

^ Fund with Conditions

Region 3 - Willamette Basin
Monitoring Applications Recommended for Funding by the RRT
October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-3051	Upper Calapooia Fish Monitoring ^	74,486	1
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$74,486	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$74,486	

^ Fund with Conditions

Region 3 - Willamette Basin

Restoration Applications Not Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount
215-3027	Lower Calapooia River Fish Passage	351,485
215-3039	Mirror Lake Floodplain Forest Restoration	207,960
215-3042	Rattlesnake and Lost Creek Fish Passage Restoration Project Phase 2	231,667
215-3043	Dorris Ranch Oak Release, Prairie Restoration and Bottomland Forest Enhancement	204,167
215-3044	Johnson Creek Riparian Reforestation (Creek Care)	138,173
215-3047	Irrigation Automation in Santiam Water Control District	245,500
215-3049	Upper Rickreall Creek Restoration - Phase 2	129,600
215-3050	Sandy River Mainstem Floodplain Reconnection	237,103
215-3059	Newell Creek Headwaters Restoration	125,000

Region 3 - Willamette Basin

Technical Assistance Applications Not Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount Requested
215-3024	Tracking Progress Towards Restoration Goals in Tributary Floodplains	50,000
215-3035	Molalla Side Channels Restoration Design and Outreach	39,890

Region 3 - Willamette Basin

Outreach Applications Not Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount
215-3052	Watershed Restoration Experience and Diverse Youth (WREaDY) Program	42,601
215-3053	Urban Restoration Mentors Program	32,347

Region 3 - Willamette Basin

Monitoring Applications Not Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount
215-3037	Middle Willamette Water Quality Characterization - Phase II	25,158
215-3038	Yamhill Watershed Rapid Bio Assessment	143,946



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Courtney Shaff, Grant Program Coordinator
John Amoroso, Central Oregon Regional Program Representative

SUBJECT: **Agenda Item G: OWEB Grant Award Recommendations
Region 4, Central Oregon
April 28-29, 2014 OWEB Board Meeting**



I. Introduction

This staff report summarizes the Central Oregon Regional Review Team (RRT) and staff recommendations for funding.

II. Summary of Regional Review Team Funding Recommendations

Applicants submitted 18 applications for a total request of nearly \$2.6 million. The RRT met in January 2015 to review the applications and make recommendations to OWEB staff. The Restoration, Technical Assistance, and Outreach applications were reviewed for merit and given a “fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding by application type.

The Central Oregon RRT recommended funding for 13 applications: Eight Restoration applications, three Technical Assistance applications, and two Outreach applications. No monitoring applications were submitted. The RRT did not recommend funding for the two of the Technical Assistance applications submitted. One Outreach and two Restoration grants were not reviewed as they were withdrawn by the applicants prior to the review team meeting.

The RRT also reviewed and prioritized application 215-4035, Threemile Joint Fish Screen and Stream Flow Restoration, which proposed alterations to a previously awarded grant due to unforeseen changes in circumstances and new opportunities. However, it was withdrawn after the applicant and staff determined that an amendment to the existing grant would accomplish the same goals, while allowing for a more efficient and timely project implementation and grant administration process.

III. Staff Recommendation

For the April Board meeting, staff recommends funding for thirteen applications for a total award of: \$1,824,530: \$1,613,052 for Restoration, \$146,142 for Technical Assistance, and \$65,336 for Outreach. (For additional information, see the summaries of the Review Team Evaluations.)

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “fund” to OWEB staff by the RRT. Attachment A also indicates: OWEB staff “fund” recommendations, shown in gray shading.

For some “fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommends the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

Region 4 - Central Oregon

Restoration Applications Recommended for Funding by the RRT October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-4026	Upper Thomas Creek Restoration Phase III *	153,646	1
215-4034	Evans Creek Restoration and Culvert Replacement at Hutson Drive *	390,500	2
215-4029	Horse Heaven Creek Instream Restoration ^	89,981	3
215-4023	McGarva Diversion Replacement ^	227,023	4
215-4035	Landscape Restoration of Upper Crooked River Basin ^	337,865	6
215-4022	Willow Creek Upland and Riparian Enhancement ^	142,800	7
215-4031	Warner Ranch Wetland Enhancement and Fish Passage Project ** ^	271,237	8
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,613,052	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,613,052	

* Listed Amount Reflects Recommended Reduction ** Listed Amount Reflects Recommended Increase ^ Fund With Conditions + 215-4037 was reviewed and ranked as #5, but the applicant withdrew the application after the ranking.

Region 4 - Central Oregon

Technical Assistance Application Recommended for Funding by the RRT October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-4025	Goose Lake Basin Stream Reconnaissance Plan	49,710	1
215-4020	Crooked River Watershed Sage Grouse Conservation ^	50,000	2
215-4032	Big Summit Prairie Restoration Plan ^	46,432	3
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$146,142	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$146,142	

^ Fund with Conditions

Region 4 - Central Oregon
Outreach Applications Recommended for Funding by the RRT
October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-4028	Crook County Natural Resources CTE Outreach Program	48,836	1
215-4021	Youth Watershed Council Restoration Team ^	16,500	2
Total Outreach Projects Recommended for Funding to Staff by RRT		\$65,336	
Total Outreach Projects Recommended for Funding by Staff to Board		\$65,336	

^ Fund with Conditions

Region 4 - Central Oregon
Monitoring Application Recommended for Funding by the RRT
October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
	NONE SUBMITTED		
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$0	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$0	

Region 4 - Central Oregon
Restoration Applications Withdrawn by the Applicant
October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount
215-4036	Muddy Creek Upper Watershed Restoration	354,660
215-4037	Threemile Joint Fish Screen and Stream Flow Restoration	152,325
215-4038	Jack Creek Headcut and Meadow Restoration	72,000

Region 4 - Central Oregon
Technical Assistance Applications Not Recommended for Funding by the RRT
October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount
215-4024	Lost River Recovery Unit TA	6,279
215-4030	Sellers Marsh Wetland Restoration Engineering Design Development	17,072

Region 4 - Central Oregon
Outreach Applications Withdrawn by the Applicant
October 20, 2014 Grant Cycle

Project #	Project Name	Total Amount Requested
215-4027	Lake County Watershed Council Outreach: Our Resources, Our Responsibility	27,947



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Courtney Shaff, Grant Program Coordinator
Karen Leiendecker, Eastern Oregon Regional Program Representative

SUBJECT: **Agenda Item G: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
April 28-29, 2015 OWEB Board Meeting**



I. Introduction

This staff report summarizes the Eastern Oregon Regional Review Team (RRT) and staff recommendations for funding.

II. Summary of Regional Review Team Recommendations

Applicants submitted 34 applications for a total request of \$2,003,214. The Eastern Oregon Region Review Team (RRT) met in December 2014, to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance, Monitoring and Outreach applications were reviewed for merit and given a “fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding by application type.

The Eastern Oregon RRT recommended 24 applications for funding: 15 Restoration, four Technical Assistance, three Outreach and two Monitoring applications. (For additional information, see the summaries of the Review Team Evaluations.)

III. Staff Recommendation

For the April Board meeting, staff recommends funding 24 applications for a total award of \$1,524,968: \$1,104,111 for Restoration, \$174,397 for Technical Assistance, \$167,116 for Monitoring and \$79,344 for Outreach.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “fund” recommendations, shown in gray shading.

For some “fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

Region 5 - Eastern Oregon

Restoration Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-5045	Lostine River/Sheep Ridge Fish Passage Improvement	89,150	1
215-5044	Zumwalt Prairie and Imnaha Medusahead Rye	95,299	2
215-5060	Parsnip Peak Invasive Annuals ^	68,482	3
215-5062	Continuing the War on Weeds in the Owyhee	101,729	4
215-5050	Clover Creek: The Whole Thing ^	135,989	5
215-5038	Cleaning Up Overstreet H2O ^	30,060	6
215-5042	Defreezing the McEwen Valley Ditch * ^	50,000	7
215-5052	Junicide on Blackbutte ^	138,329	8
215-5066	Alkali Forage Reserve Restoration Project ^	180,775	9
215-5049	Cowboy's Big Circle ^	24,420	10
215-5065	Mike Williams Chesnimnus Fencing and Off-Site Water Development ^	28,949	11
215-5064	Across the Creek ^	50,760	12
215-5048	Harper Valley WQ Improvement #2 * ^	31,466	13
215-5061	Bench Ground-Flood to Sprinklers ^	31,803	14
215-5039	Ralph's Water Quality Improvement ^	46,900	15
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,104,111	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,104,111	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

Region 5 - Eastern Oregon

Technical Assistance Applications Recommended for Funding by the RRT October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-5057	Malheur Sage-Grouse Specialist	50,000	1
215-5055	Lower Clear Creek Restoration Plan	40,397	2
215-5041	Powder Valley Connector Design	34,000	3
215-5068	SONEC Partner Conservation Delivery Position	50,000	4
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$174,397	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$174,397	

Region 5 - Eastern Oregon

Outreach Application Recommended for Funding by the RRT October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-5047	High Desert Youth Range Camp	24,876	1
215-5063	Wallowa Resources' Watershed Evaluation Teams (WET) Program	17,779	2
215-5054	Powder Basin Strategic Planning Outreach ^	36,689	3
Total Outreach Projects Recommended for Funding to Staff by RRT		\$79,344	
Total Outreach Projects Recommended for Funding by Staff to Board		\$79,344	

^ Fund with Conditions

Region 5 - Eastern Oregon

Monitoring Applications Recommended for Funding by the RRT October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-5037	Grande Ronde Basin Stream Flow Gauging Stations Operation - Water Years 2015 & 2016	105,230	1
215-5051	Monitoring the Mighty Malheur	61,886	2
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$167,116	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$167,116	

Region 5 - Eastern Oregon**Restoration Applications Not Recommended for Funding by the RRT****October 20, 2014 Grant Cycle**

Project #	Project Name	Total Amount
215-5040	Jackson Spring Development	53,722
215-5043	Jacob's Spring Development	27,118
215-5046	Little Crane Creek and 16 Road Enclosures	28,598
215-5056	Community Line Project	16,732
215-5058	227 Ray of Sunshine	17,360
215-5059	Stoves Drainage Erosion Control Project	57,837
215-5069	Little Creek Channel Complexity Project (LCH-1)	80,857
215-5070	Bird Bath	51,995
215-5071	Up in Smoke	102,906

Region 5 - Eastern Oregon**Monitoring Applications Not Recommended for Funding by the RRT****October 20, 2014 Grant Cycle**

Project #	Project Name	Total Amount
215-5053	Powder Basin Stream Flow Monitoring	25,220



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Courtney Shaff, Grant Program Coordinator
Sue Greer, Mid-Columbia Regional Program Representative

SUBJECT: **Agenda Item G: OWEB Grant Award Recommendations
Region 6, Mid-Columbia Region
April 28 & 29, 2015 OWEB Board Meeting**



I. Introduction

This staff report summarizes the Mid-Columbia Regional Review Team (RRT) and staff recommendations for funding.

II. Summary of Regional Review Team Recommendations

Applicants submitted 25 applications for a total request of more than \$2.3 million. The Mid-Columbia RRT met in January 2015 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance (TA), Monitoring, and Outreach applications were reviewed for merit and given a “fund” or “no fund” recommendation. The RRT then prioritized the applications recommended for funding by application type.

The RRT recommended 18 applications: 12 Restoration, two TA, one monitoring and three Outreach. (For additional information, see the summaries of the Review Team Evaluations.)

III. Staff Recommendations

For the April Board meeting, staff recommends funding 17 applications for a total award of \$1,139,019.00: \$849,568.00 for Restoration, \$66,368.00 for TA, \$159,541.00 for Monitoring, and \$63,542.00 for Outreach.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “fund” recommendations, shown in gray shading.

For some “fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

Region 6 - Mid Columbia

Restoration Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-6050	Badger Creek Diversion #3	52,271	1
215-6047	Cox-Bansen Diversion Consolidation ** ^	114,747	2
215-6043	Meredith Diversion Nos. 1 and 2 Replacement Project ^	79,132	3
215-6036	Desolation Creek Flow Enrichment	58,645	4
215-6049	Butte Creek Passage	61,025	5
215-6045	Fry Camp Aspen Enhancement Project	53,952	6
215-6051	Indian Creek Diversions and Pipeline ^	86,965	7
215-6052	Headwaters of Bridge Creek Watershed Improvement ^	117,205	8
215-6046	Big Mosquito Riparian Enhancement **	96,061	9
215-6030	Sheep Creek Restoration * ^	111,258	10
215-6039	Holmes Upland Erosion Control	18,307	11
215-6035	Bull Run Large Woody Debris	109,003	12
Total Restoration Projects Recommended for Funding to Staff by RRT		\$958,571	
Total Restoration Projects Recommended for Funding by Staff to Board		\$849,568	

* Listed Amount Reflects Recommended Reduction ** Listed Amount Reflects Recommended Increase ^ Fund with Conditions

Region 6 - Mid Columbia

Technical Assistance Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-6029	Upper South Fork Aspen Inventory	16,368	1
215-6033	Upper Greasewood Creek Conservation Alternatives ^	50,000	2
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$66,368	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$66,368	

^ Fund with Conditions

Region 6 - Mid Columbia

Outreach Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-6041	STELLAR Watershed Education and Community Outreach	28,382	1
215-6040	Grant County Youth in Restoration	16,918	2
215-6048	Mid John Day Outreach ^	18,242	3
Total Outreach Projects Recommended for Funding to Staff by RRT		\$63,542	
Total Outreach Projects Recommended for Funding by Staff to Board		\$63,542	

^ Fund with Conditions

Region 6 - Mid Columbia

Monitoring Applications Recommended for Funding by the RRT

October 20, 2014 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-6053	John Day R. Sub-Yearling Spring Chinook Monitoring to Enhance Population Productivity	159,541	1
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$159,541	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$159,541	

Region 6 - Mid Columbia**Restoration Applications Not Recommended for Funding by the RRT****October 20, 2014 Grant Cycle**

Project #	Project Name	Total Amount
215-6032	Summit and Reed Fire Restoration	161,099
215-6034	Water Quality, Conservation & Conversion of Hermiston Irrigation District B3 Line	92,830
215-6037	Ritter Habitat Enhancement	17,077
215-6042	Butte Creek Watershed Juniper Removal	203,795
215-6044	LJD-Kahler Watershed Improvement	340,638

Region 6 - Mid Columbia**Outreach Applications Not Recommended for Funding by the RRT****October 20, 2014 Grant Cycle**

Project #	Project Name	Total Amount Requested
215-6038	2014 John Day: Local Connection Partnership	26,488

Region 6 - Mid Columbia**Monitoring Applications Not Recommended for Funding by the RRT****October 20, 2014 Grant Cycle**

Project #	Project Name	Total Amount
215-6031	Trail Creek Monitoring	235,323



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Dana Hicks, Interim Grant Program Manager

SUBJECT: **Agenda Item I: Voluntary Incentives Program Funding Request, April 28-29, 2015 OWEB Board Meeting**



I. Introduction

This report provides an overview and a funding request to transition the Voluntary Incentives Program (VIP) from the pilot phase to full program implementation. VIP is an investment mechanism focused on the protection, restoration and monitoring of riparian areas along the McKenzie River in partnership with a public utility in Lane County.

II. Background

The ecosystem services program develops opportunities within OWEB's programs and initiatives to further the goals of the Senate Bill 513 Working Group recommendations regarding ecosystem services and markets. Ecosystem services approaches encourage the use of restoration and conservation efforts—in particular, voluntary actions on private lands—to ensure the delivery of ecological functions and processes. Ecosystem services approaches require that the ecological benefits of conservation and restoration efforts are measured, tracked, and successfully achieved over time.

VIP is an investment mechanism that has been developed over the last four years by the Eugene Water & Electric Board (EWEB), and a number of local partners, including landowners. The program seeks to provide economic incentives to protect healthy riparian forests, wetlands, and floodplains along the McKenzie River.

The McKenzie River is the source of drinking water for the Eugene metropolitan area and a significant contributor to overall water quality in the Willamette River. It is also one of the last remaining strongholds for native Upper Willamette River spring Chinook and Columbia River bull trout, while also providing critical habitat for the Oregon Chub.

The VIP concept is straightforward through which payments would be made to landowners who agree to the long-term protection of critical landscapes, such as healthy riparian forests, as a way to maintain that function within the watershed. VIP also seeks to assist landowners to restore degraded riparian areas and improve water

quality. These restoration projects could later be rolled into a longer term maintenance program.

Through payments to landowners, the inherent value of the natural environment, habitat for listed species, and drinking water for the residents of Eugene and Springfield is quantified and translated into a monetary value. Further, a stewardship movement is incentivized, which may lead to additional opportunities for restoration actions.

III. Accomplishments with Current OWEB Funding

OWEB entered into an agreement with EWEB in early 2014 to assist in development of an economic case for protecting natural infrastructure. The Board reviewed and approved a \$150,000 investment in the pilot phase of VIP at its September 10-11, 2013 meeting. The resulting grant agreement (214-8007-11050) will expire in June 2015. Over the last 14 months, EWEB has been working with 15 landowners and 10 VIP partners to design and build the infrastructure that will support full program roll-out in 2016. Accomplishments to date include:

- Landowner access agreements for conducting riparian assessments;
- Riparian health assessment metrics, field collection software, and GIS analysis;
- Riparian health assessments on 14 reference sites to capture best natural condition;
- Riparian health assessments on 15 diverse landowner sites;
- Post riparian health assessment report for landowners outlining available VIP pathways for protection and/or restoration;
- Long term landowner agreement templates for protection and restoration pathways;
- Analysis for delineation of final VIP boundary;
- Investigation of a business sponsorship model;
- Analysis on use of LiDAR for monitoring and prioritizing investment areas;
- VIP website and watershed health dashboard for public and landowner access to VIP;
- MOU's with other funders for watershed investments via VIP; and
- Financial system to manage diverse funding sources, payments to landowner, and support of the business sponsorship model.

IV. Proposed Areas for Funding Support

Based on efforts to date, a number of project components have been identified that require additional funding beginning in July 2015. These tasks will build on current momentum and ensure that the program is ready to launch in 2016. These are briefly described below with more detail provided in Attachment B.

Task 1: Landowner and Community Engagement

Restoration plans and agreements will be developed for approximately five of the pilot landowners with completed riparian health assessments.

Task 2: Enhance Riparian Health Assessment Metrics and Processes

Task 3: Determine the Economic Value and Return on Investment of Riparian Forest Protection and Restoration

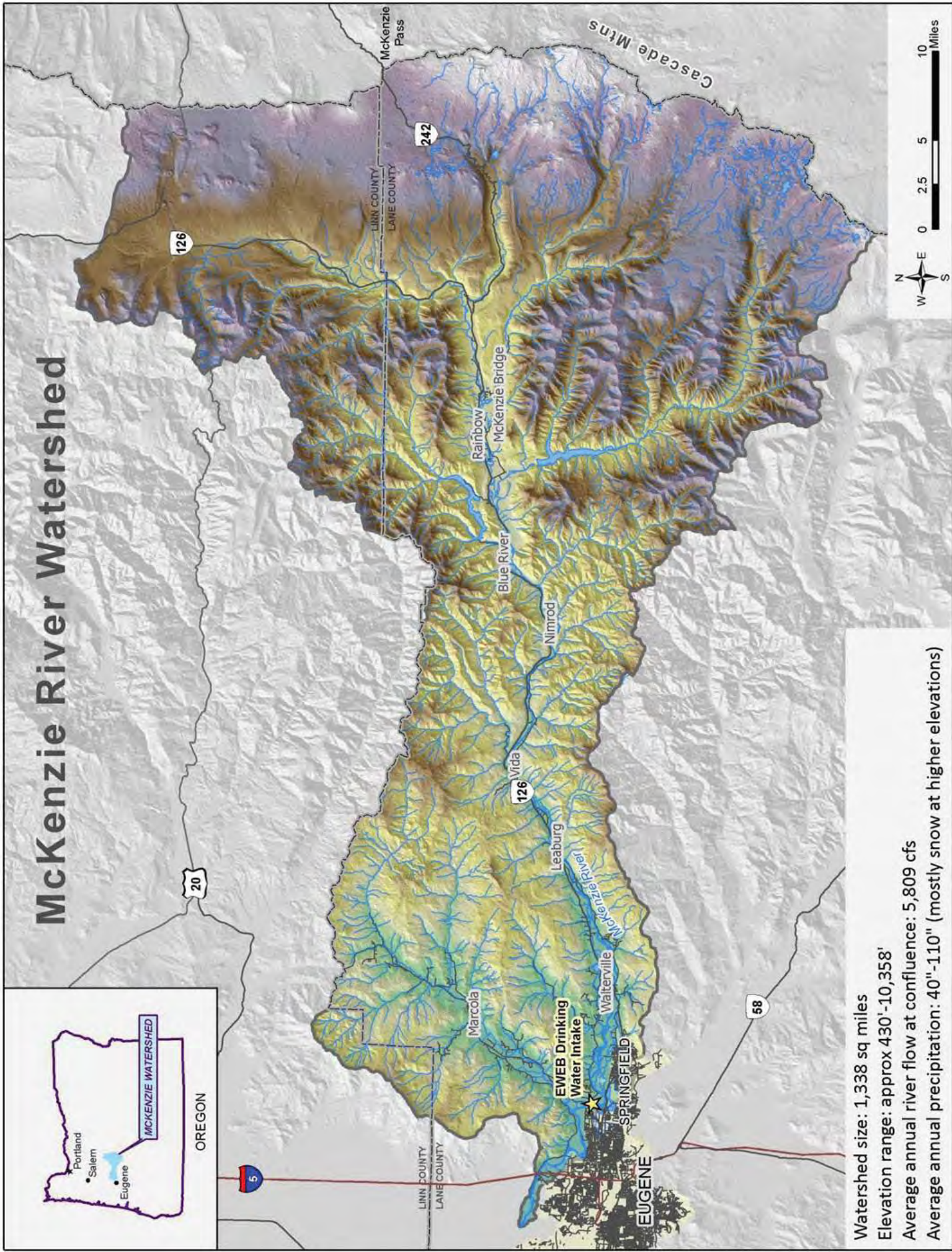
V. Recommendation

Staff recommend that the Board award \$146,195 for the purposes outlined in Section IV and Attachment B of this report and delegate authority to the Director to enter into appropriate agreements to distribute the funds. Of the awarded funds, \$76,575 is to come from the Ecosystem Services line item and \$69,620 from the Effectiveness Monitoring line item in the Board's 2013-2015 Spending Plan.

Attachments

- A. Map of the McKenzie River Watershed
- B. McKenzie Voluntary Incentives Program Funding Proposal Areas for Potential OWEB Support
- C. Memorandum of Understanding between OWEB and EWEB

McKenzie River Watershed



Watershed size: 1,338 sq miles
 Elevation range: approx 430'-10,358'
 Average annual river flow at confluence: 5,809 cfs
 Average annual precipitation: 40"-110" (mostly snow at higher elevations)



Eugene Water & Electric Board

500 East 4th Avenue/Post Office Box 10148
Eugene, Oregon 97440-2148
541-685-7000
www.eweb.org

McKenzie Voluntary Incentives Program Funding Proposal Areas for Potential OWEB Support March 26, 2015

Background

Municipal water utilities across the western United States are facing similar pressures on the watersheds that are the sources of drinking water for over 80 million people. These pressures include; increased development in floodplains and riparian areas, increased impervious surfaces, declining health of headwater forests, increased threats from severe wildfire and resulting mudslides, and extreme weather patterns as climate change becomes a reality. Unfortunately today's economic drivers continue to support development, resource extraction, and short-term job creation, while placing no economic value on naturally functioning ecosystems. However, it is this natural capital that water providers and the populations they serve depend upon for filtering pollutants, controlling erosion, reducing water temperatures, mitigating impacts of flooding, and creating a buffer between human activities and drinking water.

Many of these same municipal drinking watersheds provide critical habitat for threatened and endangered species. The McKenzie Watershed is the last remaining stronghold for native Upper Willamette River Spring Chinook and Columbia River Bull Trout, and provides critical habitat for the Oregon Chub. The Eugene Water & Electric Board (EWEB) has spent the last four years working with a number of partners and landowners to develop and design an investment mechanism, called the Voluntary Incentives Program (VIP). The goal of this program is to affirm that natural systems like healthy riparian forests, wetlands, and floodplains have value in avoiding increased treatment costs, water quality problems, and expensive restoration investments toward endangered species survival, and managing risks from climate change. The VIP concept is simple in that landowners in riparian areas can: 1) receive payments for long-term preservation of healthy riparian forests; and/or 2) receive assistance to restore degraded areas in riparian areas, as a way to maintain and improve water quality within the McKenzie River Watershed (Eugene's sole source of drinking water).

EWEB is currently working with 15 landowners and 10 VIP partners to pilot this concept (under an MOU with OWEB). This collaborative effort is designing and building the infrastructure that will support full program roll-out in 2016. The pilot project will be completed in August 2015 and will allow us to build much of the critical infrastructure for the VIP and test drive it with landowners. This includes:

- Landowner access agreements for conducting riparian assessments;
- Riparian health assessment metrics, field collection software, and GIS analysis;
- Riparian health assessments on 14 reference sites to capture best natural conditions;
- Riparian health assessments on 15 diverse landowner sites;
- Post riparian health assessment report for landowners outlining available VIP pathways for protection and/or restoration;
- Long term landowner agreement templates for protection and restoration pathways;
- Analysis for delineation of final VIP boundary;

- Business sponsorship model;
- Analysis on use of LiDAR for monitoring and prioritizing investment areas;
- VIP website and watershed health dashboard for public and landowner access to VIP;
- MOU's with other funders for watershed investments via VIP; and
- Financial system to manage diverse funding sources, payments to landowners, and support the business sponsorship model.

The University of Oregon will evaluate the pilot project and provide a report that will illuminate areas for enhancement and redesign based on feedback from landowners, partners, and overall observations of what worked and what needs improvement. OWEB investment in the pilot project has been instrumental in moving this concept forward and preparing all partners involved for full implementation in 2016. Based on pilot project efforts to date, there are a number of project components that have been identified for additional funding in July 2015 that will build on current momentum and ensure that the program is ready to launch in 2016.

Proposed Areas for OWEB Funding Support

Based on the trajectory of the VIP Pilot Project, which will be completed by August 31, 2015, the following tasks have been identified for funding starting on September 1, 2015 to transition from pilot phase to full program implementation. EWEB will be funding a number of the activities discussed below as indicated and those matching funds are summarized in this proposal with the requested OWEB funding.

Task 1: Landowner and Community Engagement

OWEB Funding = \$16,575

EWEB Funding = \$27,000

Total Task 1 Funding = \$43,575

[EWEB In-Kind (staff time) = \$10,000]

After completion of the VIP Pilot Project in August 2015, landowner engagement will be necessary to maintain momentum, build on relationships developed in the pilot, refine messaging around VIP, conduct outreach to the landowner base within the VIP boundary area, build business sponsorship, and engage the Eugene community. The following actions comprise the main work associated with Task 1.

1. *Restoration Design & Agreements with Pilot Project Landowners (OWEB Funded-\$16,575):* Move forward with development of restoration plans and agreements for willing pilot project landowners based on recommendations from riparian assessments. This will help to build on relationships developed by the McKenzie Watershed Council (MWC) and Upper Willamette SWCD (UWSWCD) with these landowners and refine the restoration pathway.
 - a. We anticipate that 5 of the 15 participating landowners will request restoration designs by MWC and/or UWSWCD at 45 hours per design for total of 225 hours @ \$65/hour = \$14,625
 - b. Develop restoration agreements with landowners that explain that MWC or UWSWCD will perform long-term monitoring and maintenance and the landowner will collect annual photo points. EWEB will negotiate five landowner restoration agreements with assistance from MWC and/or UWSWCD at 6 hours

per agreement for total of 30 hours @ \$65/hr = \$1,950 (EWEB staff time is in-kind match).

2. *Landowner Outreach and Marketing for VIP (EWEB Funded - \$13,000)*: Work with the 15 pilot project landowners to design marketing and outreach materials, VIP recognition concepts (yard art, mailbox stickers, bumper stickers, etc.), and website functionality for landowner access to VIP.
 - a. Design, develop and test messaging and outreach materials with pilot landowners
 - b. Run a logo design contest with Lane Community College, U of O, and Northwest Christian University.
 - c. Upgrade initial watershed health dashboard web site based on landowner feedback and external testing.
3. *Landowner Engagement and Promotion (EWEB Funded- \$5,000)*: Engage larger landowner base with regular and diverse outreach efforts, including holding meetings at homes of pilot project landowners, being present at upriver festivals and community gatherings, holding dinner meetings, conducting field tours, and providing open house venues and other opportunities to talk about VIP. The objective is to refine VIP messaging, gather feedback, expand landowner contact/ mailing list, and create a buzz around VIP rollout.
 - a. Conduct analysis to develop landowner lists for focused outreach and engagement based on: i) landowners who indicated interest in VIP during U of O landowner survey (63 landowners); ii) landowners that EWEB has already worked with as part of its DWSP program (septic system assistance, healthy farms clean water, naturescaping workshops) and who are in the VIP boundary (approximately 400 landowners); and iii) based on LiDAR canopy cover analysis, identify key landowners with large tax lots in high priority areas for protection and/or restoration.
 - b. Develop landowner communications plan to strategically engage landowners identified in 3.a., and implement engagement activities, track results, and pursue opportunities.
4. *Business Sponsorship Program Development and Implementation (EWEB Funded- \$5,000)*: Continue developing business sponsorship program based on lessons learned from the pilot project and feedback from the Business Advisory Group. Begin signing up business sponsors for VIP to increase incentives for landowners to enter the program for either protection and/or restoration.
5. *Eugene Community/Rate Payer Engagement (EWEB Funded-\$4,000)*: Based on the U of O EWEB customer survey results and analysis, develop messaging and outreach/engagement strategy to actively promote and engage the Eugene community (rate payers) around VIP and appreciation for landowner stewardship, promote business sponsors, and build support for full program roll-out.

Task 1 Timeline Table

Task 1 Activity	Start Date	Completion Date
Restoration Design & Agreements	July 2015	November 2015
Landowner Outreach Materials Development	July 2015	October 2015
Landowner Engagement & Recruitment	October 2015	March 2016
Business Sponsorship Implementation	July 2015	December 2015
EWEB Customer Engagement	September 2015	February 2016

Task 2: Enhance Riparian Health Assessment Metrics and Processes

OWEB Funding = \$69,620

EWEB Funding = \$35,000

Total Task 2 Funding = \$104,620

[EWEB In-Kind (staff time) = \$21,000]

Central to the VIP will be assessing the quality of riparian areas of landowners interested in becoming part of the program. As part of the pilot project, The Freshwater Trust (TFT) developed protocols for assessing riparian forest quality using GIS desktop analysis and on-the-ground field surveys which provide the basis for protection and/or restoration recommendations most appropriate for landowner sites. Each of these steps requires data collection, management, analysis, and reporting. During the pilot, EWEB, Lane Council of Governments (LCOG), MWC, and UWSWCD staff tested a trial version of a mobile application (StreamBank) designed to collect survey data in the field, thereby gaining efficiencies by bypassing the process of entering data by hand from paper datasheets, and automating data validation. This testing identified the need for enhancement so that the field mobile application works more seamlessly with GIS to allow integration of spatial data and increased accuracy. The VIP pilot project developed a riparian health scoring system to help determine what units were eligible for protection versus restoration on a landowner's property. Additional analysis and testing of the scoring system is needed to ensure results are consistent with program goals and landowners understand their scores.

In addition, the use of field and GIS data associated with a landowner property should align with what is required for establishing baseline conditions and developing management plans (for protected areas) and restoration designs that meet funding requirements. EWEB will work with the Metropolitan Wastewater Management Commission (MWMC), ODOT, DEQ, ODFW, NOAA NMFS and others to establish metrics necessary on baseline conditions and restoration actions that will satisfy water quality shade credits and other mitigation requirements. The Willamette Partnership's basic ecosystem credit platform will be tested and explored for use to register and document water quality and/or mitigation credits, as well as other VIP protection and restoration agreements that generate ecosystem service values.

To fully implement riparian area assessments as part of the VIP full program roll-out in 2016, the following enhancements will need to be put in place:

1. *StreamBank/GIS Redesign*: Based on results from the pilot project landowner and reference site surveys it is apparent that the data collection system needs enhancement to more easily interface with GIS and allow spatial data collection and attribution with field-collected metrics. In addition, field analysts need to be able to edit GIS boundary data based on field observations. Data collection capabilities need to be expanded to allow for better assessment of restoration areas (current focus of StreamBank is collecting data only on portions of landowner property that have riparian forest).

Evaluate metrics collected using StreamBank, simplify or enhance these metrics based on field experiences and metric priorities, and identify metrics to be added to capture restoration opportunities that align with mitigation funder needs. Anticipate level of effort to include:

- a. Evaluation and analysis of field metrics to offer enhancements to StreamBank software by MWC and UWSWCD for total of 80 hours @ \$65/hr = \$5,200;
 - b. Identification of necessary metrics for improving restoration pathway in VIP that will be needed for funders of mitigation projects (e.g., MWMC, ODOT) by MWC and UWSWCD for a total of 60 hours @ \$65/hr = \$3,900.
 - c. Evaluation and analysis of GIS interface with StreamBank to identify solutions and improve data collection process by LCOG for a total of 120 hours @ \$105/hr = \$12,600;
 - d. Software redesign and testing by The Freshwater Trust @ \$25,000;
 - e. Software/GIS testing and feedback by LCOG, MWC and UWSWCD (40 hours each) for total of \$9,400.
2. *Analysis and Enhancement of Riparian Conditions Scoring System*: The scoring system developed as part of the pilot project was useful in understanding how metrics could be weighted and took a first cut at developing a score for determining protection versus restoration. However, additional evaluation and looking at other scoring systems will provide a more robust and defensible system that better aligns with field observations and satisfies feedback from landowners.
 - a. Evaluation and analysis of existing scoring system, testing of different weights for key metrics, calibrating with field observations, getting landowner feedback, and comparing to other readily available riparian scoring systems to develop better fit for VIP, total cost = \$22,400. Work will be done by LCOG, MWC, UWSWCD, and TFT as follows:
 - i. LCOG – 80 hours @ \$105/hr = \$8,400
 - ii. MWC – 50 hours @ \$65/hr = \$3,250
 - iii. UWSWCD – 50 hours @ \$65/hr = \$3,250
 - iv. TFT – contracted for \$7,500
 - b. Once a scoring system is finalized that fits the needs of VIP, develop software enhancements that incorporate a data analysis functionality to score riparian vegetation quality while still on site to allow better calibration of scoring and field observations. This effort is estimated to cost \$15,120, with the work being done by TFT, UWSWCD, and MWC as follows:
 - i. TFT (Software redesign) - contracted for \$12,000;

- ii. MWC – 24 hours @ \$65/hr = \$1,560
 - iii. UWSWCD at – 24 hours @ \$65/hr = \$1,560
3. *Landowner Reporting Process Enhancement:* The pilot project developed landowner riparian conditions reports that provided good information on existing conditions, riparian health score for each unit surveyed, and articulated two pathways for landowners to consider associated with protection and restoration. There is a need for a reporting function to streamline communication with landowners about findings related to their property. Landowner agreements will include exhibits that reference baseline conditions and management plans for the areas enrolled in VIP. The current reporting process needs to be upgraded to meet these multiple objectives. This effort is estimated to cost \$11,000, with the work being done by TFT, LCOG, MWC, and UWSWCD.

Task 2 Timeline Table

Task 2 Activity	Start Date	Completion Date
StreamBank/GIS Redesign	July 2015	October 2015
Scoring System Analysis and Upgrade	November 2015	February 2016
Landowner Reporting Process	January 2016	March 2016

Task 3: Determine the Economic Value and Return on Investment of Riparian Forest Protection and Restoration

OWEB Funding = \$60,000

EWEB Funding = \$12,000

Total Task 3 Funding = \$72,000

[EWEB In-Kind (staff time) = \$11,000]

GIS analyses, scientific data and the most current accepted economic methods will be used to determine the value of ecosystem services provided by healthy riparian corridors in the McKenzie River Watershed, focusing on water quality services. Healthy riparian corridors provide a range of different ecosystem services; from sediment capture to stream temperature regulation. Task 3 will assess distinct services using a variety of methods and spatial analysis. The output of this effort will be a spatially explicit database with economic values specific to unique biophysical services in riparian corridors across the entire study area. These metrics will be easily incorporated into existing mapping and conservation prioritization systems used for VIP. This will allow estimating the change in total benefits provided by existing healthy and restored riparian areas over time as VIP is implemented. Task 3 will address the following questions:

1. What is the economic value of ecosystem services provided by healthy riparian corridors in the McKenzie Watershed, including water quality, water supply, erosion control, flood risk reduction, and climate stability (i.e., carbon sequestration)?
2. How do EWEB and its ratepayers benefit from these ecosystem services provided in the McKenzie Watershed?

3. What is the economic value of interventions by EWEB, using the Voluntary Incentives Program, that would protect and/or restore some or all of the 8,200 acres of privately owned riparian corridors along the McKenzie River? Do the benefits outweigh the costs, and what is the return on investment over time?
4. How can LIDAR data be used as a proxy for estimating the economic value of ecosystem services provided by riparian corridors?

To accomplish Task 3, the following specific actions will be conducted:

1. Map riparian zones and classify ecosystem function types within each zone. GIS will be used to overlay a combination of LIDAR data outputs with hydrography to map riparian function for the entire watershed. A combination of vegetation (intensity, canopy height and canopy cover), topography (slope, aspect, gradient and channel confinement) and hydrography (permanent and ephemeral streams and rivers, wetlands and water bodies) will be used to map riparian functional types (\$19,000).
2. Define the relationship between riparian function type and ecosystem service production capacity. This will be accomplished by showing how different attributes of riparian functional types (e.g. canopy cover, proximity to rivers and streams) relate to their ecosystem service production capacity, focusing on several key services: water quality (sediment, temperature, pathogens), water supply, erosion control, flood risk reduction, and climate stability (\$16,000).
3. Calculate an ecosystem service value by riparian type. Once mapped, riparian ecosystem services will be associated with each of the riparian functional types. Riparian functional types provide a range of different ecosystem services, and the value of these services can be added to arrive at an economic value (in \$/acre/year) for that riparian functional type. This value is conservative, because only a subset of the ecosystem services known to be provided by riparian corridors will be valued due to lack of literature and studies. Accepted economic methods will be used to conduct the valuation, including replacement cost (e.g. water quality), avoided cost (e.g. flood risk reduction) and market pricing (e.g. climate stability) (\$13,000).
4. Summarize the value of riparian forests, analyze impact of the VIP on riparian value, and develop a report that pulls together the GIS data and technical findings (\$24,000).

Timeline: July 2015 – March 2016

Task 3 funding would support:

- Earth Economics and Ecotrust staff to conduct the economic analysis using existing GIS and LiDAR data.
- LCOG staff to work with Earth Economics and Ecotrust to make sure GIS and LiDAR data is provided in a way that meets their needs.

Summary

The total cost for the three proposed tasks is \$220,195. The request for OWEB funds is \$146,195. EWEB will provide \$74,000 in cash match, plus \$42,000 in in-kind match (staff time) to manage this work and engage in each of these tasks. EWEB will also be investing in other

components of the VIP not included in the proposal (e.g., LiDAR monitoring protocol development, watershed modeling, and watershed fund development, VIP evaluation and redesign with Carpe Diem West and other utilities). EWEB and our VIP partners can provide more information behind each of the proposed tasks as necessary to ensure that this proposal aligns with OWEB investment priorities around ecosystem services, effectiveness monitoring, and protecting some of the last strongholds for ESA-listed species in Oregon. Any OWEB funding provided for this effort would be managed by VIP partner Cascade Pacific RC&D.

EWEB looks forward to exploring if rate payer investments could be leveraged with OWEB funds to build a program that protects existing healthy habitat for spring Chinook salmon, bull trout and Oregon Chub, provides focused investment in restoration of degraded riparian forests, builds capacity of local organizations to work with landowners at a scale that is meaningful and sustainable, and establishes a landowner and community education system that places value on natural systems and defines good stewardship.

OWEB Proposal Funding Summary

Task/ Activity	Funding Request
Task 1: Landowner & Community Engagement	\$43,575
Task 2: Enhance Riparian Health Assessment Metrics and processes	\$104,620
Task 3: Determine Economic value and ROI of Riparian Forest Protection and Restoration	\$72,000
Total Funding Request	\$220,195

Contact Information:

Karl Morgenstern, EWEB
 Environmental Supervisor
 Watershed Protection/Property Management
Karl.morgenstern@eweb.org
 541-685-7365 (Office)
 541-954-1118 (Cell)

Memorandum of Understanding**Between****The Eugene Water & Electric Board and the Oregon Watershed Enhancement Board****PARTIES:**

The Memorandum of Understanding (MOU) is hereby entered into by and between The Eugene Water & Electric Board ("EWEB") and the Oregon Watershed Enhancement Board ("OWEB") (collectively, the "Parties").

PURPOSE AND SCOPE:

The purpose of this MOU is to establish the Parties' intent to enter into a collaboration to demonstrate and test the ability of ecosystem service principles, methods and processes to implement, quantify, track and monitor outcomes from EWEB's Voluntary Incentives Program.

RECITALS:

- 1) EWEB is a customer-owned public utility chartered by the city of Eugene in 1911 to serve the interests of its citizens. In order to provide clean water to those citizens, EWEB has a drinking water source protection program that seeks to protect the McKenzie River, which is the sole source of drinking water for the Eugene metropolitan area. The Voluntary Incentives Program ("VIP") is a new strategy that will reward landowners who maintain high quality land along the river, helping to protect water quality in the McKenzie Watershed and avoid future water treatment costs.
- 2) OWEB is an Oregon state agency whose mission is to help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies. OWEB is a leader in the conservation of Oregon's natural resources and enjoys strong public support for its contributions to community-based conservation, watershed health, and local economies. OWEB has long supported innovative strategies for habitat restoration and conservation.

WHEREAS, the VIP program provides an opportunity to develop, test, and apply ecosystem services approaches with the opportunity to expand the concepts and tools to other areas of the state; and

WHEREAS, information gained from VIP will provide valuable insights and experiences that enhance OWEB's capacity to measure progress toward attaining ecological outcomes; and


WHEREAS, the OWEB Board and the EWEB Board have provided and may additionally provide funding and other resource commitments for program development and implementation; and

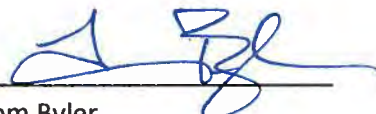
WHEREAS, the Parties have agreed to enter into a collaboration to further develop and test VIP during the pilot phase in 2013-2014, with VIP implementation beginning in 2014-2015;

IT IS MUTUALLY AGREED AND UNDERSTOOD BY THE PARTIES THAT:

- 1) EWEB will continue to work with project partners to develop, implement, and provide funding for the VIP program. Partners include, but are not limited to, Lane Council of Governments, Upper Willamette Soil and Water Conservation District, McKenzie Watershed Council, Cascade Pacific Resource Conservation and Development, University of Oregon, and Oregon State University.
- 2) OWEB will use grant agreements to provide funding for the VIP and will outline funding tasks, conditions, and deliverables. Funding will primarily support the following goals:
 - a. Develop alternative methods to protect restoration project benefits and high-quality habitats, especially where acquisitions or easements are not the preferred method;
 - b. Explore the interface of restoration with longer-term incentives for achieving, retaining, and protecting ecosystem service gains;
 - c. Support collaboration among partners;
 - d. Expand the capacity to measure ecological outcomes that are ecosystem process and function-based;
 - e. Generally, integrate the principles, methods, procedures, tools and opportunities for advancement of ecosystem services in Oregon.
- 3) OWEB staff will provide support toward furthering this collaboration with EWEB, project partners, and other parties with interest in the VIP program.
- 4) Parties will provide periodic progress reports and presentations to the OWEB Board, EWEB Board, and staff to share updates and findings from VIP and opportunities to expand the concepts and tools to other areas of the state.
- 5) The Parties agree to collaborate for the length of this partnership to demonstrate and test the VIP model for the payment for riparian benefits, with the intent of testing the functionality and application of the infrastructure, protocols and procedures therein.
- 6) This MOU will become effective upon signature of Parties and shall remain in effect until December 30, 2018. This memorandum can be modified or terminated at any time by mutual consent of the Parties thereto, or can be terminated in whole, or in part by either party alone by giving 30-day notice in writing to the other.

AGREED:

By 
 Steve Newcomb
 Environmental Management Manager
 Eugene Water and Electric Board

By 
 Tom Byler
 Executive Director
 Oregon Watershed Enhancement Board

Date 12/23/13

Date 12/9/13



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Renee Davis, Deputy Director
Miriam Hulst, Acquisitions Specialist

SUBJECT: **Agenda Item J: OWEB Land and Water Acquisition Grant Programs – Overview and October 2014 Grant Cycle Awards April 28-29, 2015 OWEB Board Meeting**



I. Introduction

This staff report provides an overview of the October 20, 2014 land acquisition grant cycle process. It also provides an update about the status of the pilot test of the coordinated funder framework for water acquisition grants. Finally, the report outlines staff recommendations for grant awards for the October 2014 land acquisition grant cycle.

II. Land Acquisitions – October 2014 Cycle Background and Summary

A. Applications Submitted

The October 2014 grant cycle is the second of two annual land acquisition grant cycles for the 2013-2015 biennium. The total spending plan amount for land and water acquisitions for this biennium is \$8 million. Following Board awards in January 2015, \$2.657 million remains in this line item.

Eight land acquisition grant applications, totaling a request of approximately \$3.3 million, were received in this grant cycle. The applications are summarized in Attachment A. Information contained in the attachment is further described in Section II.B of this staff report and in the application evaluations which are included as Attachment B.

Application No. 214-9900 was withdrawn before completion of review because the applicant received other funds for the property purchase. Application No. 215-9905 was withdrawn based on a decision by the applicant to refine the project design and approach based on results of the initial review. Application No. 215-9906 is not recommended for funding.

B. Review Process

The land acquisition applications were reviewed in accordance with the process adopted by the Board at its January 2013 meeting. The process evaluates ecological outcomes, project soundness, organizational capacity, and community

benefits and impacts. It also includes submission of public comment by interested parties.

Site visits were conducted by staff and teams of ecological reviewers, consisting of subject matter experts selected by the applicant or chosen by staff from the regular grant program's regional review teams. Each ecological reviewer completed a project evaluation form, and the input of all ecological reviewers was summarized by staff.

Project soundness reviews were conducted by a team consisting of staff, the land acquisition program's due-diligence technical assistance contractor, and the Oregon Department of Justice. The reviews included identifying project soundness concerns, which were described in terms of yellow and red flags. A yellow-flag concern is a matter that reviewers felt is concerning, but likely resolvable in the 18-month timeframe allowed for closing transactions after the Board awards funding. A red-flag concern is a matter that reviewers indicated is insurmountable in the granting timeframe.

Staff and the due-diligence contractor reviewed organizational capacity and community benefits and impacts. Public comment was solicited through several means, including notices and a public hearing that staff held for each project recommended for funding by the Acquisitions Committee of the Board.

Staff prepared an evaluation of each project that summarizes the review outcomes, identifies yellow and red flags, and provides a score for each project. The scores were calculated from specific sections of the grant application. The process by which projects would be scored was described in advance to applicants. After evaluations were completed, they were provided to the applicants.

C. Overview of Funding Recommendations

Staff recommend five applications for funding, totaling a request of \$1,596,775 in OWEB funding that is complemented by \$767,754 in Coastal Wetlands funding. The M76 funding request total includes additional funds for project-specific capacity assistance for Applications No. 215-9902, No. 215-9903, and No. 215-9904, and additional funding for a wider upland forest buffer for Application No. 215-9904. All of the additional funds were recommended by the Acquisitions Committee of the Board, for the reasons specified in the project evaluations. Application No. 215-9906 is not recommended for funding.

III. Water Acquisitions – Update about the Pilot Test of the Coordinated Funder Framework

In June 2013, the Board adopted revised administrative rules for OWEB's water acquisition grants. These revised rules created the opportunity for OWEB to coordinate with other funders of water acquisitions to increase efficiency and effectiveness of OWEB's investments in streamflow restoration. Following adoption of the revised rules, staff worked with other funders to draft a coordinated funder framework. This

framework outlines a streamlined process for soliciting, reviewing and making funding recommendations in a way that leverages funders' collective investments and creates a more efficient process for local implementers of water acquisitions.

At its January 2014 meeting, the Board approved the associated water acquisitions guidance, which describes the priorities, principles and process for water acquisition grant-making. The process section of the guidance outlined that the 2013-2015 biennium would be used as a pilot test of the coordinated funder framework. The Board guidance noted that only approved and qualified local entities that have water acquisition programs already in place would be eligible for grants in the 2013-15 biennium. This approach reduces the risk to OWEB of funding an entity with an emerging water acquisition program with little experience in carrying out complex water transactions. OWEB contracted with NFWF to assist with design of the solicitation and review processes for water acquisition grant applications under the pilot test of the framework.

In Winter of 2014, the first solicitation under the pilot test occurred. Grant proposals were submitted to OWEB and NFWF by two entities: the Deschutes River Conservancy (DRC) and The Freshwater Trust (TFT). The total amount of funding requested from OWEB under these proposals was approximately \$123,000. Technical and programmatic reviews of these projects were completed and, in April 2014, the Board awarded funding in support of DRC's Annual Water Leasing Program and TFT's Fifteenmile (Creek) Action to Stabilize Temperature Program.

Due to cost savings and leveraging of match funding by both award recipients during the 2014 irrigation season, both organizations are extending the 2014 grant funding to support work under these programs in 2015. For this reason, the Board will not be asked to consider funding requests for 2015 under the pilot test of the coordinated funder framework for water acquisitions. At an upcoming Board meeting, staff will provide the Board with an assessment of and lessons learned from the pilot test of the coordinated funder framework for water acquisitions, and request input from the Board about next steps for the program.

IV. Staff Funding Recommendations

Staff recommend the Board award funding for land acquisition grants as specified in Attachment A, with the project-specific conditions detailed in Attachment C. Funding in the amount of \$262,119 for Application No. 215-9901 is provided entirely through the National Coastal Wetlands Conservation Grant Program. Funding for Application No. 215-9904 is a combination of \$547,500 in Measure 76 Lottery funds and \$505,635 in funding from the National Coastal Wetlands Conservation Grant Program, contingent on approval by the U.S. Fish and Wildlife Service of a budget change amendment. (During Agenda Item F at the April 2015 meeting, the Board will be asked to approve receipt of funding from the U.S. Fish and Wildlife Service for National Coastal Wetlands Conservation Grants and delegate authority to the Executive Director to enter into the appropriate agreements to distribute these funds.)

Attachments

- A. Summary of Land Acquisition Applications and Recommended Awards, October 2014 Grant Cycle
- B. Land Acquisition Project Evaluations
- C. Project-specific Conditions (to be provided at the April Board meeting)

Land Acquisition Applications
October 20, 2014 Grant Cycle

Staff Do-Fund Recommendations to the Board are Highlighted in Gray

Application #	Region	Project Name	Total OWEB Request	Total Amount Recommended	Score*	Flags°
215-9901	1	Kilchis Wetlands ¹	262,119 ²	262,119 ²	53	
215-9902	1	Tillamook Head-Boneyard ¹	508,400	524,400 ³	37	Yellow
215-9903	1	Lower Fivemile Creek ¹	104,375	124,375 ³	45	Yellow-red
215-9904	2	Scholfield Creek ¹	519,845 ⁴	1,053,135 ⁵	46	Yellow-red
215-9907	4	Mill Creek Ridge-Paintbrush Meadows ¹	400,500	400,500	52	Yellow
215-9900	4	Lower Deschutes River Ranch 2014 – WITHDRAWN	750,000		42	Yellow
215-9905	1	Moss Creek Conservation Easement – WITHDRAWN	480,000		30	Red
215-9906	1	Wesport Slough – DO NOT FUND	900,000		34	Yellow-red
Total Land Acquisition Applications Submitted in the October 2014 Cycle for OWEB Funding			\$3,278,225			
Total Coastal Wetlands Funding Awarded for Acquisitions by U.S. Fish & Wildlife Service			\$647,014	\$767,754		
Total OWEB Funding Recommended				\$1,596,775		

* 60 Points Possible

° Flags are explained in the Project Evaluation. Yellow: concerning but likely resolvable in OWEB's granting timeframe. Red: insurmountable in OWEB's granting timeframe.

¹ Fund as specified in the Project Evaluation.

² Funding provided entirely through the National Coastal Wetlands Conservation Grant Program.

³ Includes project-specific capacity funding.

⁴ Partial project funding provided through the National Coastal Wetlands Conservation Grant Program.

⁵ Partial project funding provided through the National Coastal Wetlands Conservation Grant Program; includes project-specific capacity funding and additional funding to increase the upland forested buffer.

October 20, 2014 OWEB Grant Cycle Land Acquisition Application

Application No.: 215-9901

Project Name: Kilchis Wetlands

Applicant: The Nature Conservancy

Region: North Coast

Basin: North Coast

County: Tillamook

OWEB Request: \$262,119.00*

Total Cost: \$262,119.00

*Funds requested from U.S. Fish and Wildlife Service's Coastal Wetlands program, to be matched by previous purchase

Application Description

The Nature Conservancy (TNC) is requesting funds for the purchase of a 61-acre property adjacent to the Kilchis River in Tillamook County. The property is former tidal wetlands, which are diked for use as dairy pastureland. TNC plans to restore the tidal wetlands, along with 66 acres of adjacent land which TNC previously purchased using OWEB funds (Grant Agreement No. 212-107). The application states that protection and restoration of the property proposed for acquisition will provide important wetland habitat for native fish species including coho, Chinook and chum salmon, steelhead, and cutthroat trout, and a variety of other sensitive species including red-legged frog.

The funds being requested by TNC are in anticipation of an award to OWEB from the National Coastal Wetlands Conservation Grant program (Coastal Wetlands), which is administered by the U.S. Fish and Wildlife Service (USFWS). OWEB applied for the Coastal Wetlands funds specifically for TNC's use. OWEB staff were notified in January 2015 that USFWS awarded the funds. Using the newly established process for Coastal Wetland grants, funds will be accepted only if the Board formally approves both the project and receipt of the Coastal Wetlands funds.

REVIEW

Project Soundness

Reviewers felt that the project is sound, with a high likelihood that the project can be completed within OWEB's granting timeframe, which is eighteen months between award date and closing. In addition to standard due diligence actions that will be necessary, final confirmation of project soundness would entail a number of steps, including but not limited to: an updated title report and confirmation of vested ownership; confirmation of legal authority to access the adjacent state highway and to cross the railroad right-of-way; an assessment of whether the blanket utility easement will hinder restoration and protection of the property's conservation values; and satisfactory resolution of matters related to the small in-holding on the property.

Ecological Outcomes

Reviewers felt that the project is an excellent opportunity to augment TNC's restoration efforts in the Lower Kilchis River. They pointed out that the property shares a boundary with TNC's existing holding, and that acquiring the property will double the size of TNC's restoration area, to more than 125 acres. In addition to having a shared boundary, the two properties share sloughs and tidal channels, which when jointly restored will result in much better function than if only TNC's

currently owned property is restored. Reviewers felt that not only will the restoration increase tidally influenced Sitka spruce wetlands, a critically imperiled habitat, it will result in much-needed water quality improvements in the Kilchis River. One reviewer pointed out that the lower Kilchis River has been proposed for dredging and stockpiling spoils, and that acquiring the property will eliminate this threat.

Although reviewers were very supportive of the project, they stated that they would have liked more information about benefits for priority species, and questioned whether there would be benefits for winter steelhead as stated in the application. Reviewers would have also appreciated more information about the condition of the property and its infrastructure, for a better understanding of what restoration will entail. Reviewers pointed out that the property is not intact in its currently diked state, and that restoration is critically important for full ecological function. They felt that in addition to dike breaching and other hydrological improvements, restoring native vegetation and replacing introduced pasture grasses will be necessary for successful restoration outcomes, and weed management will require persistence over many years.

- Needs and Opportunities: 14 points out of 15 possible points.
- Results and Benefits: 22 points out of 25 possible points.
- Condition and Function: 7 points out of 10 possible points.

Community Benefits and Impacts

TNC anticipates that the property will be open to the public for bank fishing during fishing season and for wildlife viewing year-round. The application states that the property will also be available for educational activities. The application states that fishermen, fishing guides, and environmental educators support the project. Property taxes will not be paid once TNC acquires the property. This is potentially a cause of concern for the county, and there may be benefit in further exploring the issue with TNC. The application also states that although the Tillamook Creamery Cooperative has a “no net loss of farmland” policy, the property contains only 34 acres of pastureland, which have not been fully utilized in several years.

Organizational Capacity

Reviewers felt that the application clearly demonstrates TNC’s qualifications and capacity to acquire and manage the property. Further, reviewers felt that TNC’s conservation focus in the Tillamook Basin, including TNC’s ownership of adjacent conservation property, provides sufficient justification for TNC to be considered the right organization to acquire the property and restore and steward it for the long term. TNC is seeking Coastal Wetlands and OWEB funds to accomplish the restoration.

Reviewers noted that TNC anticipates having the property open to the public and does not have staff based in the community, but has a track record of effective stewardship of its properties. The management plan developed for the property should have, among other required contents, a clear demonstration of processes and staffing capacity – paid or volunteer – for ensuring that the property is routinely monitored for issues such as litter and vandalism, and that public use is consistent with protection of the property’s conservation values.

- 10 points awarded out of 10 possible points.

Public Review

OWEB staff conducted a public hearing upon the Board Acquisition Committee's recommendation of funding for the project. The hearing focused on the public's view of the project's benefits, and questions and concerns about the project, summarized as follows:

Project Benefits

The hearing participants noted that this project could have waterfowl hunting benefits, if TNC were to offer hunting opportunities.

Project Questions or Concerns

The hearing participants were concerned that the project will reduce property tax revenue and the amount of farmland in Tillamook County, and that farmland should remain available for agricultural use to ensure the economic vitality of the county. The participants were also concerned that restoration of the property might flood lands other than TNC-owned land, and attract more geese, and that the geese would degrade water quality and be a nuisance to the neighbors. The hearing participants suggested that OWEB consider more reasonable options for altering ecosystem function, such as dredging the Kilchis River, and that restoration of the adjacent TNC-owned property needs to be completed and assessed for success before further grant funds are awarded.

Summary

Total Score: 53 points out of 60 points possible. Reviewers did not feel that the project poses any yellow flags (concerning but likely resolvable in OWEB's granting timeframe) or red flags (insurmountable in OWEB's granting timeframe).

Staff Recommendation

Staff recommend the Board award \$262,119.00 in Coastal Wetlands funds, contingent on an award from U.S. Fish and Wildlife Service, to The Nature Conservancy for the Kilchis Wetlands project, in accordance with OWEB's standard grant agreement for land acquisition, including project-specific conditions specified in the grant agreement. Staff will consult with TNC to finalize project-specific conditions. The conditions will be provided to the Board at its April 2015 meeting.

October 20, 2014 OWEB Grant Cycle Land Acquisition Application

Application No.: 215-9902

Project Name: Tillamook Head (Boneyard)

Applicant: North Coast Land Conservancy

Region: North Coast

Basin: North Coast

County: Clatsop

OWEB Request: \$524,400.00

Total Cost: \$1,878,800.00

Application Description

North Coast Land Conservancy (NCLC) is requesting funds for the purchase of a 360-acre industrial timberland property located between NCLC's Circle Creek Reserve and Ecola State Park, in Clatsop County. The application states that purchase of the property would result in a 3,500-acre contiguous block of conserved land. The application also states that protection of the property is essential to alter historic timber harvest and place the property on a restoration trajectory to functioning late-seral temperate rainforest. The application states that conserving the property will protect two miles of streams, including the entire watershed of Boneyard Creek, for the benefit of sensitive species such as coho salmon, cutthroat trout, and red-legged frog.

REVIEW

Project Soundness

Reviewers felt that the transactional aspects of the project are relatively sound, but felt that NCLC will need the help of outside expertise (see Organizational Capacity below) to ensure project completion within OWEB's granting timeframe, which is eighteen months between award date and closing. Consistent with this recommendation, reviewers felt that NCLC should use the OWEB-approved purchase and sale agreement (PSA) template to ensure that transaction matters are effectively addressed in a timely manner. In addition to standard due diligence actions that will be necessary, final confirmation of project soundness will entail a number of steps, including but not limited to: confirmation of an acceptable PSA including appropriate representations and warranties as to unrecorded leases, permits and licenses; appraisal approval; an updated title report and vested ownership confirmation; an assessment of the validity of title exceptions and, as to valid encumbrances, a determination that the encumbrances will not hinder protection of the property's conservation values; and removal of all financial liens affecting the property. Additionally, reviewers were particularly concerned about the need to confirm the legal basis of access to the property, and map the access. Finally, reviewers noted that it may be difficult for NCLC to raise the additional funds that will be required to purchase the property.

Ecological Outcomes

Reviewers stated that industrial timberland is not a typical conservation property, but also noted that with only a small amount of intact late-seral forest left on the north coast, long-term conservation targets may sometimes be met by taking forests out of timber production and setting them on a trajectory to ecologically functioning ecosystems. Protecting the property would conserve the entire watershed of Boneyard Creek, and form an important conservation link between Tillamook Head and the Necanicum River estuary, benefitting critically imperiled species on 3,500 protected acres. The property's location is outstanding for restoring ecological

connectivity, and for ease of management by NCLC, whose Circle Creek Reserve is immediately adjacent.

The application states that approximately half of the property contains trees between 45 and 55 years old, and that the remainder of the property contains trees that are between 10 and 22 years old. The application states that a recent timber cruise indicated that the trees are a mix of Sitka spruce and western hemlock, with alder in the riparian areas. Grand fir occupies an unclear but likely relatively small area, and is probably the result of a planting error by the timber company. The property also contains a small area of forested wetlands, and four streams, three of which are salmon-bearing, according to NCLC observations. The property's logging roads appear to be in good condition, and are located at the tops of ridges. The application states that NCLC recently partnered with other organizations to decommission a road on the property, which included removal of two culverts to improve fish habitat. Invasive species appear to be present at relatively low levels, which is uncommon for industrial timberland, and presents a valuable property management advantage.

Although reviewers were supportive of the project, they felt that the property is not in intact condition, and generally disagreed with the application's statement that no immediate restoration should occur. Further, they felt that some of the priority species listed in the application, such as chum salmon, are not on the property and will not directly benefit from the project. Reviewers felt that with immediate, active management based on a sound long-term vision for the property, the property could support late seral forest habitats in 50 years. Reviewers stated that without active long-term management, it would take the property much longer to reach late seral conditions, and that some of the priority species the project is targeting likely cannot sustain a longer wait for restored habitat. The reviewers emphasized that some of the priority species listed in the application, such as marbled murrelet, will not benefit from the property before the late seral conditions are reached. Therefore, reviewers stated that it is essential that NCLC engage professional foresters to work further on a comprehensive plan for the property that most likely should entail immediate and thorough thinning for improved structural diversity and understory conditions, and removal of the grand fir. Reviewers stated that NCLC should commit to a schedule for implementing necessary restoration actions. Reviewers stated that delaying the restoration, and therefore allowing the densely stocked trees to grow older, will make restoration a more difficult and expensive process. They noted that this was experienced by Oregon Parks and Recreation Department (OPRD) at Ecola State Park. Reviewers recommended that when developing a restoration strategy with professional foresters, NCLC should engage OPRD and other landowners with experience restoring similar properties, to benefit from their lessons learned. Reviewers further suggested that NCLC form a partnership with OPRD to plan and coordinate stewardship activities.

- Needs and Opportunities: 9 points out of 15 possible points.
- Results and Benefits: 15 points out of 25 possible points.
- Condition and Function: 6 points out of 10 possible points.

Community Benefits and Impacts

The application states that NCLC will not pay taxes on the property, but will make it available to the public for hiking and hunting. Recreational uses have the potential to hinder protection of a property's conservation values, and require careful planning and monitoring, and improvements such as signage. The management plan developed for the property needs to contain specific actions with concrete timeframes, supported by adequate staffing, to ensure that any public use of the property is protective of its conservation values. Reviewers felt that NCLC's first priority should be restoration, with recreation to follow as time and funding allow. Reviewers agreed with

the application's statement that the property's existing roads should be used as hiking trails to avoid disturbances associated with the construction of new trails.

Organizational Capacity

Reviewers appreciated NCLC's 30 years of operations and its long record of conservation transactions. Reviewers noted, however, NCLC's existing portfolio of transactions and management planning, and suggested that if OWEB opts to fund the project, it consider providing targeted, project-specific assistance to NCLC to accomplish strong outcomes in an efficient manner. Reviewer recommendations included contractor assistance with legal and mapping matters pertaining to the transaction, contractor assistance with management planning, regularly scheduled check-ins with OWEB staff, and a process for OWEB approval of documents prior to their execution. Reviewers suggested that if the project is a funding priority from an ecological standpoint, the Board consider financial assistance to NCLC for contracted help that will facilitate a smooth and timely closing.

- 7 points awarded out of 10 possible points.

Public Review

OWEB staff conducted a public hearing upon the Board Acquisition Committee's recommendation of funding for the project. The hearing focused on the public's view of the project's benefits, and questions and concerns about the project, summarized as follows:

Project Benefits

The hearing participants stated that the project's potential benefits include watershed protection; good stewardship by NCLC; interpretive sites, educational opportunities, and non-motorized recreational opportunities; connectivity between lands that have already been protected, and connectivity for salmon; protection of Tillamook Head and Sitka spruce; potential economic benefits to local businesses from expanding natural areas; and tribal and cultural values.

Project Questions or Concerns

Some hearing participants stated that the property is used for bow and rifle hunting, and that walk-in hunting on the property should be allowed to continue. Participants pointed out the challenges of managing a mix of recreational uses on a property, and varying public perceptions about what should be allowed on conservation lands. Some hearing participants encouraged NCLC to find a way to balance hunting and other uses of the property. Other participants felt that OWEB should focus its resources on watershed council capacity and restoration instead of on acquisition.

Summary

Total Score: 37 points out of 60 points possible. This project's primary yellow flags (concerning, but likely resolvable in OWEB's granting timeframe) include: (i) NCLC securing additional funds necessary to purchase the property; (ii) NCLC accessing the assistance recommended by reviewers; (iii) approval of the appraisal; (iv) completion of a purchase and sale agreement; (v) resolution of title and access issues; and (vi) completion of an environmental site assessment.

Staff Recommendation

Staff recommend the Board award \$508,400.00, plus \$16,000.00 for project-specific capacity assistance, for a total of \$524,400.00 to North Coast Land Conservancy for the Tillamook Head project, in accordance with OWEB's standard grant agreement for land acquisition, including project-specific conditions specified in the grant agreement. Staff will consult with NCLC to finalize project-specific conditions. The conditions and additional funding request will be provided to the Board for approval at its April 2015 meeting.

October 20, 2014 OWEB Grant Cycle Land Acquisition Application

Application No.: 215-9903

Project Name: Lower Fivemile Creek

Applicant: McKenzie River Trust

Region: North Coast

Basin: North Coast

County: Douglas

OWEB Request: \$124,375.00

Total Cost: \$167,366.00

Application Description

McKenzie River Trust (MRT) is requesting funds for the purchase of a 125-acre forested property upstream of Tahkenitch Lake in Douglas County. The property contains riparian bottomland and forested wetlands and uplands. The application states that the property contains approximately two miles of Fivemile Creek and approximately six additional miles of side channels adjacent to the creek. MRT would immediately transfer the property to the Confederated Tribes of Siletz Indians (CTSI), which would manage the property for the protection of its natural resources. The application states that Fivemile Creek has the second-highest adult return and spawning use by coho salmon in Oregon. The application states that CTSI ownership of the property will enable restoration of additional stream function, although the property already functions relatively well. Protection and management of the property will benefit, in addition to native fish, a variety of priority species including bald eagle, band-tailed pigeon, and olive-sided flycatcher.

REVIEW

Project Soundness

Reviewers felt that the transactional aspects of the project are relatively sound, but felt that MRT will need the help of outside expertise (see Organizational Capacity below) to ensure project completion within OWEB's granting timeframe, which is eighteen months between award date and closing. In addition to standard due diligence actions that will be necessary, final confirmation of project soundness would entail a number of steps, including but not limited to: an updated title report and confirmation of vested ownership; confirmation and approval of a binding purchase and sale agreement; an assessment of whether remaining title encumbrances are valid or will hinder protection of the property's conservation values, with particular attention necessary for easements and split-estate matters associated with the property; and confirmation that the seller is warranting against unrecorded easements, permits and licenses.

Reviewers felt that it would be prudent for OWEB to require that the transfer of the property from MRT to CTSI be in accordance with a conveyance agreement similar to the agreement required for other projects in which a grantee transfers an OWEB-funded property interest to a governmental entity. The agreement would provide OWEB's statutorily required transfer approval and acknowledge CTSI's understanding that it is accepting the Property subject to the OWEB conservation easement.

Reviewers noted that MRT considers the property to be in need of conservation protection despite it being owned by Ecotrust Forest Management (EFM), a B Corporation (social benefits corporation). Reviewers were uncomfortable with this potential contradiction, but nonetheless

felt that CTSI assuming ownership of the property is logical because CTSI owns and manages land immediately adjacent to the property.

Ecological Outcomes

Reviewers were supportive of the project, stating that the property is located in a watershed that is highly productive for coho salmon and that the property has relatively good ecological function. Reviewers also stated that conserving and restoring the property will build on significant conservation investments made upstream at the Fivemile-Bell Landscape Management Project (FBLMP) site, by a partnership of organizations including OWEB. The application states that coho smolts exiting the Tahkenitch Lake system are significantly larger than their counterparts from other Oregon coastal watersheds, and that this may confer a survival advantage in the ocean, which in turn explains the 250-500 adult fish per mile that have been documented in Fivemile Creek. The application states that protection of the property will increase the area of the FBLMP to approximately 800 acres.

Reviewers would have liked more information about whether the property is characterized as spruce swamp, a particularly rare wetland type. Reviewers would also have appreciated information about any marbled murrelet habitat on the property. Reviewers recommended a thorough analysis of historic channel alterations and road crossings on the property, and development of associated restoration actions if the analysis indicates that restoration would meaningfully improve ecological functions and habitat values. (This would, however, be a project larger in scope than the minor enhancements cited in the application.) Reviewers also recommended an inventory of the property's woody debris and snags, and if they are found to be deficient, management actions to improve them. Finally, reviewers recommended that the management plan include actions for improving marbled murrelet habitat on the property.

- Needs and Opportunities: 12 points out of 15 possible points.
- Results and Benefits: 18 points out of 25 possible points.
- Condition and Function: 8 points out of 10 possible points.

Community Benefits and Impacts

The application states that the project will benefit local communities and nearby landowners by safeguarding the property and its ecological values, thus further protecting more of the Tahkenitch Lake basin, an important public recreation amenity of coast-wide significance. The application also states that a robust management planning process will address public recreation in a thoughtful and deliberate way, thereby addressing the current situation of unmanaged recreation and its associated effects. Further, the application states that CTSI anticipates that its ownership of the property will enable CTSI members to harvest culturally important plants, where appropriate, from the property. Reviewers stated that the management plan developed for the property will need to address such uses, among other required contents, to ensure the uses are carried out in a manner that is consistent with protection of the property's conservation values. The application states that CTSI will pay taxes on the property.

Organizational Capacity

Reviewers felt that the project is relatively sound, but were concerned about the time it will take to resolve complicated title matters, including split-estate issues associated with the project. Further, reviewers noted that since the time of the application submission, MRT's capacity has been reduced by the departure of a key employee, and that OWEB and MRT will want to acknowledge the time it may take for a new employee to take on the highly technical matters this project entails. Reviewers also noted that MRT will need to coordinate with CTSI regarding the

expectations associated with OWEB's standard form conservation easement and other project requirements. The standard form conservation easement template is an important part of the process for efficiently closing transactions under the revised program. Notwithstanding this approach, alterations may be necessary because the Property will be transferred to a tribal entity, as discussed below. MRT will need to play an active role in the conservation easement discussions, and will grant the conservation easement to OWEB. Given the complex nature of this project, reviewers recommend that MRT contract with an expert so a focused effort can bring the project to closure in OWEB's granting timeframe. Accordingly, reviewers suggested that if the project is a funding priority from an ecological standpoint, the Board consider financial assistance to MRT for the contracted services of an acquisitions expert to assist with due diligence for this project.

- 7 points awarded out of 10 possible points.

Public Review

OWEB staff conducted a public hearing upon the Board Acquisition Committee's recommendation of funding for the project. The hearing focused on the public's view of the project's benefits, and questions and concerns about the project, summarized as follows:

Project Benefits

The hearing participants stated that the project would have fisheries benefits, including helping to sustain good fish production in the Tahkenitch Lake system.

Project Questions or Concerns

Concern was raised about conservation ownership of the property possibly curtailing the use of herbicide by neighbors. MRT and CTSI stated that an OWEB acquisition grant would require CTSI to protect the property, but this does not mean the grant would require neighbors to stop using herbicide.

Summary

Total Score: 45 points out of 60 points possible. The split-estates issues are the project's primary yellow flag (concerning, but likely resolvable in OWEB's granting timeframe), which borders on a red flag (insurmountable in OWEB's granting timeframe), due to the time and level of expertise and effort typically necessary to resolve such issues. Other yellow flags include: (i) title encumbrances more generally; (ii) lack of a signed option and the statement in the application that the option price is a moving target as to the timber value; and (iii) tribal ownership variables that will affect the project.

Staff Recommendation

Staff recommend the Board award \$104,375.00 plus \$20,000.00 for project-specific capacity assistance, for a total of \$124,375.00 to McKenzie River Trust for the Lower Fivemile Creek project, in accordance with OWEB's standard grant agreement for land acquisition, including project-specific conditions specified in the grant agreement. Staff will consult with MRT to finalize project-specific conditions and determine appropriate capacity assistance including a funding amount. The conditions and additional funding request will be provided to the Board at its April 2015 meeting.

October 20, 2014 OWEB Grant Cycle Land Acquisition Application

Application No.: 215-9904

Project Name: Scholfield Creek

Applicant: McKenzie River Trust

Region: Southwest

Basin: Umpqua

County: Douglas

OWEB Request: \$187,500.00*

Total Cost: \$603,264.00**

*Plus additional purchase funds in an amount to be determined and used only if a wider forested upland buffer is purchased

**Match funds requested from U.S. Fish and Wildlife Service's Coastal Wetlands program

Application Description

McKenzie River Trust (MRT) is requesting funds for the purchase of 168 acres of wetlands and 47 acres of upland buffer in the Umpqua River estuary in Douglas County. The properties, which consist of eight sites held by a total of four owners, are upstream of the City of Reedsport and contain relatively undisturbed emergent, scrub-shrub, and forested tidal wetlands and tidal channels, and forested upland buffer. The application states that if the project is successful, it will be the first-ever conservation acquisition in the Umpqua River estuary by a non-governmental organization. MRT intends to manage the properties for the protection of wetland resources and the benefit of sensitive species such as coho salmon, red-legged frog, Bullock's oriole, and rufous hummingbird.

The match funds indicated by MRT are in anticipation of an award to OWEB from the National Coastal Wetlands Conservation Grant program (Coastal Wetlands), which is administered by the U.S. Fish and Wildlife Service (USFWS). OWEB applied for the Coastal Wetlands funds specifically for MRT's use. OWEB staff were notified in January of 2015 that USFWS awarded the funds. Using the newly established process for Coastal Wetland grants, funds will be accepted only if the Board formally approves both the project and receipt of the Coastal Wetlands funds.

REVIEW

Project Soundness

Reviewers noted that this project is highly complex and its soundness is uncertain, with many details yet to be worked out. Among other things, success will require four separate purchase agreements (two private and two public owners) with supporting appraisals; several lot-line adjustments, with likely survey and cost complications; resolution of very significant split-estate issues and yet-to-be determined complexities associated with a fee strip of railroad property that transects several of the parcels proposed for purchase; and potentially, resolution of impacts pertaining to an adjacent landfill. While the reviewers would normally be inclined to recommend withdrawal of the application until such time as the complexities are more thoroughly understood, the significant ecological outcomes associated with the project (see below) justify consideration of the project now, rather than later.

If the grant is awarded, project success will require a high level of transactional expertise and sustained focus for the project to be completed within OWEB's granting timeframe, which is eighteen months between award date and closing (see Organizational Capacity).

In addition to standard due diligence actions, final confirmation of project soundness would entail a number of steps, including but not limited to: updated title reports and confirmation of vested ownership as to the four ownerships; confirmation of executed purchase and sale agreements, with the agreements to include seller representations and warranties as to unrecorded leases, permits and licenses; an assessment of whether title encumbrances are valid or will hinder protection of the properties' conservation values, with particular attention to be paid to satisfactory resolution of the very broad split-estate reservations that affect a portion of the project area; a thorough review of environmental concerns, if any, that are associated with the historic landfill located adjacent to the project area; a thorough review of access and environmental issues, if any, that are associated with the active railroad right-of-way that transects the project area; removal of all financial liens affecting the properties; and satisfactory completion of necessary lot-line adjustments.

Ecological Outcomes

The application states that a tidal wetland prioritization for the Umpqua River estuary determined that two of the project's eight sites are a high priority for conservation, three sites are a medium-high priority from conservation, two sites are a medium priority for conservation, and one site is a medium-low priority for conservation. In aggregate, the sites would form a relatively large area of diverse habitats: conserved wetlands, nearly three miles of Scholfield Creek, and approximately 19 miles of tidal channels. This collection of habitats possibly results in an ecological benefit that is greater than the sum of the individual parts. The application states that MRT will partner with the Partnership for the Umpqua River (PUR) to enhance the wetlands with strategic placement of spruce logs that will diversify habitat structure over time.

Reviewers were supportive of the project, stating that the properties contain high-functioning wetland habitat for a variety of priority species, and that protecting the properties may be one of the most cost-effective ways to increase salmon populations. Reviewers noted that some of the properties are within the City of Reedsport's urban growth boundary, and therefore shoreline development is a threat to the properties. Reviewers pointed out that the wetlands themselves are somewhat protected by existing regulations, and that the main threat to the wetlands is from activities on adjacent land. Following from those observations, reviewers recommended that MRT consider increasing its purchase of forested upland buffer, from 50 feet stated in the application to 300 feet, to more assuredly protect wetland resources.

Reviewers felt that the application did not contain adequate species status and occurrence information, but nonetheless agreed that the wetlands are important rearing habitat for priority fish species. Reviewers also felt that the application's discussion about the properties' relationship to other conservation sites was lacking, and that perhaps the strongest conservation link is to the work completed in the upper portion of Scholfield Creek. Reviewers were uncertain of the level of threat posed by the railroad, and stated that invasive species management issues posed by the railroad and other sources should be addressed in a management plan and in MRT's approach to working with the railroad.

- Needs and Opportunities: 11 points out of 15 possible points.
- Results and Benefits: 19 points out of 25 possible points.
- Condition and Function: 9 points out of 10 possible points.

Community Benefits and Impacts

The application states that MRT will pay taxes for the properties. The application points out that one of the properties is currently tax-exempt because it is owned by the City of Reedsport; therefore, tax revenue will actually increase as a result of MRT's purchase. The application also states that community reaction to the project has been overwhelmingly positive, and that MRT and PUR will continue to build public support for the project. Reviewers stated that the wetlands are highly valuable nursery areas for fish, and that protecting fish habitat protects the local economy. Reviewers stated that public use of the properties should have been more thoroughly addressed in the application, and that careful consideration of public access should be part of the management planning process in order to ensure the protection of the properties' conservation values.

Organizational Capacity

Reviewers stated that this is one of the most complicated projects reviewed by OWEB in recent years. Reviewers were concerned that, since the time that the application was submitted, MRT's capacity has been reduced by the departure of a key employee, and that OWEB and MRT will want to acknowledge the time it may take for a new employee to take on the highly technical matters this project entails. Given the complex nature of this project, reviewers recommend that MRT contract with an expert so a focused effort can bring the project to closure in OWEB's granting timeframe. Accordingly, reviewers suggested that if the project is a funding priority from an ecological standpoint, the Board consider financial assistance to MRT for the contracted services of an acquisitions expert to assist with due diligence for this project.

- 7 points awarded out of 10 possible points.

Public Review

OWEB staff conducted a public hearing upon the Board Acquisition Committee's recommendation of funding for the project. The hearing focused on the public's view of the project's benefits, and questions and concerns about the project, summarized as follows:

Project Benefits

The hearing participants stated that the project's potential benefits include increased fish habitat (although fishing opportunities would be precluded due to the immediate area being closed to fishing) and possible recreational opportunities such as kayaking trails (although the participants noted the area already is utilized by kayakers).

Project Questions or Concerns

The hearing participants stated that the properties are already protected because of wetland regulations. They felt that the area is not degraded, and that it takes care of itself and should be left alone. The participants further stated that the work of the project proposers (MRT and PUR) is worthy, but that this project would spend public funds to do what nature is already doing. The participants stated that the funds could be better spent on property that is facing higher development pressure. Other participants were concerned about transferring public land into private ownership, and expressed general concern about conservation projects. Some participants stated that the project may put pasture areas at risk due to potential flooding, and could impact natural resources industries including logging on adjacent lands. Some participants stated that the properties are already being used for water-based recreation, and were concerned that the project might result in the loss of hunting opportunities.

Summary

Total Score: 46 points out of 60 points possible. Reviewers felt that, if not closely monitored and managed, some of the yellow flag (concerning, but likely resolvable in OWEB's granting timeframe) items could quickly become red flags (insurmountable in OWEB's granting timeframe). These include transactional issues such as lot-line adjustments and purchase agreements, title issues such as the split-estate matters, and the railroad. Unforeseen delaying factors are yellow flags (concerning, but likely resolvable in OWEB's granting timeframe) bordering on red flags, and include the need for lengthy option periods. Other yellow flags include appraisals, access, and whether an environmental site assessment will reveal hazardous materials associated with the adjacent landfill.

Staff Recommendation

Staff recommend the Board award \$134,950.00 plus \$57,500.00 for project-specific capacity assistance, and additional purchase funds in an amount to be determined and used only if a wider forested upland buffer is purchased, to McKenzie River Trust for the Scholfield Creek project, in accordance with OWEB's standard grant agreement for land acquisition, including project-specific conditions specified in the grant agreement. Staff will consult with MRT to finalize project-specific conditions and determine additional purchase funds, if any. The conditions and additional funding request will be provided to the Board at its April 2015 meeting.

October 20, 2014 OWEB Grant Cycle Land Acquisition Application

Application No.: 215-9906

Project Name: Westport Slough

Applicant: Columbia Land Trust

Region: North Coast

Basin: Lower Columbia

County: Columbia

OWEB Request: \$900,000.00

Total Cost: \$3,600,000.00

Application Description

Columbia Land Trust (CLT) is requesting funds for the purchase of a 980-acre diked former agricultural property adjacent to the Columbia River in Columbia County. The property contains a population of federally listed endangered Columbian white-tailed deer. The property would be managed primarily for the benefit of the deer, and may lead to a down-listing or delisting of the species. The application states that such management will benefit a variety of species, most significantly waterfowl and other birds which use the property's diked wetlands. CLT does not intend to remove the dikes to restore the property to tidal wetlands, because such restoration would not be beneficial for the deer.

REVIEW

Project Soundness

Reviewers noted that the numerous and very complicated title issues associated with the project make it highly unlikely that the project can be completed with sound ecological outcomes. Additionally, it is highly unlikely that the complicated title matters can be resolved within OWEB's granting timeframe, which is 18 months between award date and closing. Title complications that result in this determination include: the existence of multiple sellers; the ambiguous status of probate matters affecting the property; restoration complications likely to be associated with the encumbering Westland Improvement Drainage District regulations and easements and the federal levee easement; split-estate issues; a required lot-line adjustment; complications that may be associated with a 0.5 acre parking and moorage area easement; a local improvement district waiver of remonstrance; various third-party easements of unknown consequence; reserved hunting rights; a remnant tree farm agreement; an ambiguous water agreement; and the unknown impact of existing log rafting rights.

Reviewers also noted that the application states that CLT might consider a bridge loan for closing purposes, but felt this would be unlikely if CLT is not confident that all grant funds will be approved for the estimated \$3.5 million purchase price, of which approximately \$818,000 is being requested of OWEB. CLT anticipates using federal funds for the project, but the application is not clear about the timeframe CLT anticipates for meeting the requirements necessary to obtain the federal funding.

Reviewers were also concerned that the costs associated with managing such a highly altered property will pose a significant challenge over time. Reviewers appreciated that CLT has a demonstrated stewardship focus, with experienced stewardship staff and a \$5 million stewardship fund. However, even at a good rate of return, the stewardship fund would contribute only about \$200,000 per year for stewardship activities across all CLT-owned properties, which total nearly

15,000 acres. The property's stewardship needs, discussed in Ecological Outcomes below, appear to exceed CLT's available funds. Further, CLT would be responsible for paying levies of the local diking district as part of the property's tax bill, which is more than \$14,000 per year. Accordingly, CLT may need to find another source of dedicated stewardship funds to address the long-term costs associated with ownership of the property.

Reviewers also stated that since the property is adjacent to a portion of the U.S. Fish and Wildlife Service (USFWS) refuge system, which serves the same primary purpose as CLT's proposed acquisition (i.e., protection and possible de-listing of the Columbian white-tailed deer), it seems reasonable for USFWS to purchase the property directly, or for CLT to arrange for USFWS to accept ongoing ownership and management responsibilities for the property through an after-acquisition transfer of title. The application states that USFWS tried to purchase the property in the 1990s, but was not successful in its negotiations. Reviewers suggested that the timing may be reasonable for USFWS to again explore purchase.

In total, reviewers felt that the soundness of the project is questionable, that it has little chance of closing in the granting timeframe, and that USFWS is a more appropriate entity than CLT to acquire the property.

Ecological Outcomes

The property is diked, and was previously used for agriculture. The property was also used as a poplar plantation, with remnants of the plantation remaining on the property. The property has not been farmed for more than a decade, and is currently used for waterfowl hunting and other recreation. The application states that the property contains 754 acres of disconnected freshwater forest, scrub-shrub, and emergent wetlands within the dikes, and that there are 75 acres of tidal wetlands outside the dikes. The application further states that the property contains approximately 12.5 miles of sloughs inside the dikes. The application states that the water quality in the sloughs is poor, especially in terms of temperature, because of the dikes and loss of riparian vegetation.

The application states that the property's dikes will not be removed, in part because removal would be detrimental to Columbian white-tailed deer. CLT will consider altering interior roads and culverts for better water flow within the property's interior, and that it might later consider altering tide gates and using pump stations to better flush the property's interior, possibly benefitting fish, but that deer management will take priority.

The ecological review produced an enthusiastic endorsement of the property's benefits for Columbian white-tailed deer. Comments included that the property is home to a sustainable subpopulation of deer, and that acquiring the property would likely play into a final delisting decision for the species. Review indicated that if the property is not acquired, delisting might still occur, but will take longer. The property also seemed to be well regarded with respect to waterfowl, but no explanations were provided for the support.

Although reviewers were supportive of the project's deer and waterfowl benefits, many concerns were raised in the course of review. The primary concern was that the property will not be restored, but instead maintained in a highly altered state that is in conflict with the natural processes of the area and benefits far fewer species than a naturally functioning area. Reviewers disagreed with the application's statements that the property is intact and that the project will restore function, and felt that the property is of low value to OWEB priority species other than the deer. Reviewers noted that the portion of the property outside the dikes is of minimal value to fish, and consists of narrow strips of trees along levees. Reviewers thought that acquiring the property and attempting to maintain it in its highly altered state would be an expensive effort that is inconsistent with OWEB's acquisition principles of protecting and restoring natural, resilient

systems. Further, reviewers noted that the property's interior appears to contain a high level of invasive species, and that the invasive species, in addition to the property's dikes, constitute a formidable stewardship burden that would outweigh ecological benefits. Reviewers felt that CLT's plan for and commitment to management of the property for diverse ecological benefits were vague, other than the commitment to maintain the property in a diked state. Reviewers disagreed with the application's information about Nelson's checkermallow, noting that the species is not extirpated from Oregon, and that because its natural habitat is typically Willamette Valley wet prairie instead of diked wetlands with forested and scrub-shrub vegetation, there is little chance that the project will benefit the species.

- Needs and Opportunities: 8 points out of 15 possible points.
- Results and Benefits: 15 points out of 25 possible points.
- Condition and Function: 3 points out of 10 possible points.

Community Benefits and Impacts

The application states that CLT's vision for the lower Columbia River estuary as a whole is a series of intact conservation lands hosting a wide diversity of healthy wildlife communities, interspersed with thriving human communities. While reviewers appreciated this vision, they felt that maintaining the proposed property in its highly altered state does not advance the vision. They also disagreed with the application's statement that the project will benefit the communities of Clatskanie and Westport by improving water quality, because the property's dikes will not be removed, and therefore significant changes in the property's poor water quality are not realistic to expect. Reviewers noted that the property has been used for waterfowl hunting, and will continue to be used for hunting under CLT's ownership. Reviewers were uncomfortable with this, since, other than deer benefits, the property seems to serve primarily as a waterfowl refuge. Any reserved right of the seller to hunt waterfowl should be revocable by CLT if CLT were to determine that the hunting is substantially decreasing waterfowl numbers.

Organizational Capacity

The application noted that, overall, CLT's acquisition and stewardship staff are experienced and appear well qualified, and that CLT as an organization has a good track record of conservation purchases. Reviewers were concerned, however, that for a project of this scale and level of complexity, CLT would be challenged to accomplish the transaction in OWEB's granting timeframe. Reviewers were also concerned that CLT would be challenged to adequately fund the stewardship the property needs.

- 8 points awarded out of 10 possible points.

Public Review

Review will be conducted with a public hearing, if the Board Acquisitions Committee recommends the project for funding.

Summary

Total Score: 34 points out of 60 points possible. The project's yellow flags (concerning, but likely resolvable in OWEB's granting timeframe) border on red flags (insurmountable in OWEB's granting timeframe) and include the very complicated title issues and transactional circumstances noted above. The project's yellow flags include: (i) potential purchase price complexities resulting from reserved rights and a lot-line adjustment; (ii) the potential for an environmental site assessment to reveal hazardous materials associated with past agricultural use of the property or its Columbia River shoreline; and (iii) significant delays caused by the complicated title matters, as well as

significant closing delays resulting from challenges in securing the other funds needed for the project and meeting the requirements of any federal funders involved.

Staff Recommendation

Staff recommend the Board not award funding for the Westport Slough project.

October 21, 2013 OWEB Grant Cycle Land Acquisition Application

Application No.: 214-9907

Project Name: Mill Creek Ridge - Paintbrush Meadows

Applicant: Columbia Land Trust

Region: Central Oregon

Basin: Deschutes

County: Wasco

OWEB Request: \$400,500.00

Total Cost: \$531,669.00

Application Description

Columbia Land Trust (CLT) is requesting funds to purchase two properties totaling 125 acres on Mill Creek Ridge near The Dalles in Wasco County. The two properties are adjacent to each other, and are part of CLT's ongoing effort to protect a conservation corridor of more than 1,000 acres from the Columbia Gorge Scenic Area to Mount Hood National Forest. The properties are adjacent to land OWEB previously granted funds to help CLT purchase (Grant #214-9902). Conserving the two properties will bring CLT's total conserved lands to over 400 acres on Mill Creek Ridge. The properties contain significant botanical diversity, in grassland and oak and pine woodland. The application states that conserving the properties, which are threatened by residential development, will benefit native plant assemblages and sensitive species such as Lewis's woodpecker and western gray squirrel.

REVIEW

Project Soundness

Reviewers were of the opinion that the project's structure appears to be straightforward, without apparent complicating factors, and that the project is sound. Reviewers felt that the project has a high likelihood of closing within OWEB's granting timeframe, which is 18 months between award date and closing. In addition to other standard due-diligence actions that will be necessary, final confirmation of project soundness will entail a number of steps, including but not limited to: review of executed purchase and sale agreements, which include acceptable seller's representation and warranties as to unrecorded easements, permits and licenses; updated title reports and vested ownership confirmations; and removal of unacceptable title report exceptions in the updated reports. Reviewers suggested that CLT develop a more effective and timely due-diligence review process by: developing a more effective working relationship with its title company; ensuring the completeness and accuracy of due-diligence materials before submitting them to OWEB for review; and, if title or transaction problems are identified during the process, proposing an approach to resolving the matters when forwarding materials to OWEB for its consideration.

Ecological Outcomes

The application states that purchase of the two properties will complete Phase 1 of CLT's Mill Creek Ridge Conservation Area, bringing the total protected habitat to 400 acres. Mill Creek Ridge is identified as an oak and grassland conservation opportunity area in the Oregon Conservation Strategy developed by the Oregon Department of Fish and Wildlife. The application states that

Oregon white-oak dominates the north-facing slopes of the properties, and that the south-facing slopes are covered in balsamroot, lupine, paintbrush, and over 90 other species of forbs and native grasses. The application also states that Lewis' woodpecker, ash-throated flycatcher, western meadowlark, western bluebird, and western gray squirrel are present on the properties.

Reviewers felt that it is important to protect a corridor in the area, which has been recognized for its extraordinary biodiversity. Reviewers stated that the project has strong ecological value, stemming from the properties' high biodiversity and relatively intact condition. Reviewers stated that the ecological value of the properties is even more significant than it first appears, because the beneficial effects of protecting the properties are amplified by the adjacent parcels that have already been protected.

Reviewers felt that the properties are highly threatened by residential development, and noted early development on one of the properties. Reviewers stated that invasive plant management, tree health, and public access including trespass control are important long-term management needs for the properties, and that ownership by CLT can assure the proper management. Reviewers stated that maintaining the properties' good ecological condition will require diligent attention over time, and that the application should have identified fire as the most important and controversial tool for maintenance of ecological functions. Reviewers stated that it is important for CLT to explore how to facilitate fire on a more regular basis. Reviewers also stated that quickly getting weeds under control is paramount to maintaining ecological function over time. Reviewers made several management planning recommendations for fire, fences, and control of conifer encroachment.

- Needs and Opportunities: 13 points out of 15 possible points.
- Results and Benefits: 21 points out of 25 possible points.
- Condition and Function: 9 points out of 10 possible points.

Community Benefits and Impacts

The application states that although human use of the properties will be restricted for the protection of natural resources, CLT envisions using the properties for educational tours, hikes, and other low-impact visits that will engage local and regional citizenry in appreciation of the landscape. The application states that although Mount Hood National Forest offers recreational areas, the national forest is relatively far from The Dalles. Mill Creek Ridge will provide opportunities for the residents of The Dalles to hike or enjoy natural open spaces closer to the city. The smaller of the properties abuts a public road, and would allow relatively easy access for public use and CLT's management work.

CLT will explore ways in which the properties could be used for low-impact recreation, such as hiking, that is consistent with protection of the conservation values. Reviewers felt that an opportunity for such recreation could have an especially positive effect on the community. The application states that Wasco County supports CLT's Mill Creek Ridge conservation efforts, and would like to see public access. The County has had concerns about removing properties from the tax rolls, which the application states CLT has addressed by seeking an open space tax assessment for other properties it owns on Mill Creek Ridge. The application states that CLT will not pay taxes for the properties currently proposed for purchase. However, CLT staff subsequently decided that CLT will pay taxes for the properties for at least five years.

Organizational Capacity

Reviewers felt that the CLT acquisition staff who are leading this project and the consulting attorney for the project are experienced and well qualified for the transaction as proposed, which

is straightforward without apparent complicating factors, and that CLT's local, knowledgeable stewardship staff will be able to quickly begin managing the properties' weeds. Reviewers noted that the stewardship staff have already conducted weed mapping for the larger of the two properties, and have pursued grants for weed management. Reviewers noted that there is room for improvement in dealing with some aspects of due diligence, described in Project Soundness, above.

- 9 points awarded out of 10 possible points.

Public Review

OWEB staff conducted a public hearing upon the Board Acquisition Committee's recommendation of funding for the project. The hearing focused on the public's view of the project's benefits, and questions and concerns about the project, summarized as follows:

Project Benefits

The hearing participants noted that the properties are rare and exceptionally strong examples of intact botanical communities, and expressed the importance of protecting the properties from potentially degrading effects of residential development and grazing. It was also expressed that setting aside the properties for conservation would build on previous conservation investments, and have the associated benefit of conserving water. The hearing participants further stated that the properties pose exciting opportunities for pollinator and other wildlife conservation, and educational and recreational uses.

Project Questions or Concerns

The hearing participants stated that it would be important for CLT to understand the properties' natural limits on public access, and control access for the protection of the properties' resources. They stated that active management is critical, and suggested signage, adequate and properly located fencing, trail improvements, and seasonal restrictions for trail use. Participants noted that there are a lot of deer in the area and that perhaps they need to be managed, but expressed concern about the potential effects of any unregulated hunting in close proximity to surrounding homes. The hearing participants also felt it would be important for CLT to use pesticides in a careful manner to avoid runoff, and to pay taxes to avoid aggravating the county's budget challenges.

Summary

Total Score: 52 points out of 60 possible points. Reviewers identified several yellow flags (concerning, but likely resolvable in OWEB's granting timeframe) for the project, including a lack of a signed option for both properties, and the chance that appraisal outcomes, if unexpected, might hinder CLT's ability to secure options in a timely manner. Further, an environmental site assessment remains outstanding for both properties, but is not likely to reveal any problems because environmental review for the adjacent properties was uncomplicated.

Staff Recommendation

Staff recommend the Board award \$400,500.00 to Columbia Land Trust for the Mill Creek Ridge – Paintbrush Meadows project, in accordance with OWEB's standard grant agreement for land acquisition, including project-specific conditions specified in the grant agreement. Staff will consult with CLT to finalize project-specific conditions. The conditions will be provided to the Board at its April 2015 meeting.

Kilchis Wetlands (215-9901)
Project-Specific Funding Conditions

1. Grantee addresses risks, if any, associated with the 0.13 acre in-holding on the Property in a manner that is fully satisfactory to OWEB.
2. Grantee confirms the legal authority of the property owner to access the adjacent state highway and to cross the railroad right-of-way.
3. Grantee provides sufficient evidence that the following title report exceptions in the April 24, 2014 preliminary title report (i) will be removed from final title insurance policies, or (ii) will not conflict with the ecological outcomes planned for the Property: Exception 12 (utility easement).
4. Grantee prepares a Description of Restored Conditions for the Property, in accordance with OWEB's standard form conservation easement template.
5. Grantee agrees that the management plan required by OWEB's standard form conservation easement will include, but not be limited to, the following:
 - a. Actions for restoring the Property's conservation values in accordance with the Description of Restored Conditions; and
 - b. A plan for recreational use of the Property, including a commitment of staffing and funding necessary to inform and monitor recreational activities for the purpose of preventing impacts to the Property's conservation values.

Tillamook Head (Boneyard) (215-9902)
Project-Specific Funding Conditions

1. Grantee hires, in coordination with OWEB and with OWEB grant funding, an acquisitions subject-matter expert to assist Grantee with transaction negotiations, document drafting, legal review, and access and encumbrance mapping.
2. Grantee uses the OWEB-approved purchase and sale agreement template to ensure that transaction matters are effectively addressed in a timely manner.
3. Grantee receives approval from OWEB prior to signature on title-related documents including, but not limited to, easements and deeds.
4. Grantee, and Grantee's contractor indicated above, participate in monthly update conference calls with OWEB for the purpose of keeping OWEB current on due diligence and fund-raising progress.
5. Grantee provides sufficient evidence that the following special exceptions in the July 30, 2014 preliminary title report (PTR):
 - a. Will be removed from the final title insurance policy: Exception 11 (line of credit) and Exception 12 (financing statement); and
 - b. Will not conflict with the ecological outcomes planned for the Property: Exception 10 (Weyerhaeuser deed-reserved access); and the Crown Zellerbach to State easement, which is not listed as a special exception in the PTR, but was included in the PTR documentation submitted with the grant application.
6. Grantee confirms the legal basis of all access routes to the property, and maps the access.
7. Grantee agrees to incorporate into its restoration activities any pertinent lessons learned by the Oregon Parks and Recreation Department (OPRD) in the course of OPRD's stewardship of adjacent lands. To this end, Grantee will:
 - a. Solicit OPRD input on the draft management plan required by OWEB's standard form conservation easement; and
 - b. Consider developing a formal cooperative relationship with OPRD for the purpose of planning and coordinating Grantee's stewardship activities with OPRD's stewardship activities on adjacent lands.
8. Grantee agrees to make restoration of the Property a high priority after closing.
9. Grantee agrees that the management plan required by OWEB's standard form conservation easement will include, but not be limited to, the following:
 - a. A detailed plan and schedule for expeditious and thorough thinning of the Property's timber, and replacement of non-native trees, in the first five-year planning period, along with a sound and detailed funding plan for implementing the timber thinning and replacement; and
 - b. A plan for recreational use of the Property, including a commitment of staffing and funding necessary to inform and monitor recreational activities for the purpose of preventing impacts to the Property's conservation values, including use of existing infrastructure wherever possible and appropriate for restoration goals. Use restrictions will comply with the intent of the OWEB conservation easement.
10. Grantee agrees that the use of revenue, if any, generated from the Property will be dedicated to restoration of the Property.

Lower Fivemile Creek (215-9903)
Project-Specific Funding Conditions

1. Grantee hires, in coordination with OWEB and with OWEB grant funding, an acquisitions subject-matter expert to assist Grantee with transaction negotiations, document drafting, legal review, and resolution of title encumbrances.
2. Grantee, OWEB and the Confederated Tribes of Siletz Indians (CTSI) enter into a conveyance agreement for the purpose of authorizing transfer of the Property from Grantee to CTSI and establishing roles and responsibilities for ongoing project obligations.
3. Grantee coordinates project communication with both OWEB and CTSI to ensure that CTSI is kept abreast of due diligence developments and all parties understand OWEB's granting process and requirements.
4. Grantee coordinates with CTSI and OWEB to address reasonable revisions, if any, to the OWEB conservation easement template that may be needed to address eventual ownership of the Property by CTSI.
5. Grantee completes actions necessary to remove split-estate exceptions from the final deed and title insurance policy for the Property. Alternatively, if Grantee determines and OWEB agrees, that removal of split estates exceptions is unreasonable to expect, Grantee provides a written "nominal risk" determination to OWEB for review and approval, with the determination to be completed by a qualified geologist and in a form consistent with current standards set forth by the Internal Revenue Service.
6. In addition to resolving split estate matters addressed by item 5 above, Grantee provides sufficient evidence that the following title report exceptions in the July 17, 2013 preliminary title report (PTR) (i) will be removed from the final title insurance policy or (ii) will not conflict with the ecological outcomes planned for the Property: Exceptions 11, 12, 13, 14 and 15 (easements). Grantee will map exceptions 11, 12, 13, 14, and 15 as part of this due diligence.
7. CTSI agrees that the management plan required by OWEB's standard form conservation easement will include, but not be limited to, the following:
 - a. An assessment of the Property's resources and habitat values, and actions necessary to protect and restore them, including but not limited to:
 - i. An analysis of historic channel alterations and road crossings on the Property, including identification of future associated restoration actions if the analysis indicates that restoration would meaningfully improve ecological functions and habitat values;
 - ii. An inventory of the Property's woody debris and snags, including identification of future associated restoration actions if the inventory finds a deficiency on the site;
 - iii. An assessment of marbled murrelet habitat on the Property, including identification of future associated restoration actions if the assessment indicates that restoration would meaningfully improve murrelet habitat; and
 - b. A plan for public use of the Property, including a commitment of staffing and funding necessary to inform and monitor recreational and tribal plant gathering activities for the purpose of preventing impacts to the Property's conservation values.

Scholfield Creek (215-9904)
Project-Specific Funding Conditions

1. Grantee hires, in coordination with OWEB, an acquisitions subject-matter expert to assist Grantee with transaction negotiations, document drafting, legal review including but not limited to potential ownership complications stemming from the railroad right-of-way, resolution of title encumbrances, resolution of any impacts pertaining to the adjacent landfill, and preparation of lot-line adjustment-related materials.
2. Grantee and Grantee's contractor indicated above provide monthly email updates to, and participate in quarterly update conference calls with, OWEB for the purpose of reporting the current status of negotiations and due diligence.
3. Grantee analyses the feasibility and cost of purchasing a wider forested upland buffer to more assuredly protect wetland resources on the properties. If Grantee determines that it is feasible to purchase a wider forested upland buffer, Grantee will proceed accordingly, in coordination with OWEB.
4. Grantee coordinates with OWEB as to all required planning and zoning actions, including lot-line adjustments, and provides OWEB with copies of all final documents, including decisions and plats.
5. Grantee completes actions necessary to remove split-estate exceptions from the final deeds and title insurance policies for the properties. Alternatively, if Grantee determines and OWEB agrees, that removal of split estates exceptions is unreasonable to expect, Grantee provides a written "nominal risk" determination to OWEB for review and approval, with the determination to be completed by a qualified geologist and in a form consistent with current standards set forth by the Internal Revenue Service.
6. Grantee completes actions necessary to remove the following exceptions, listed in the preliminary title report (PTR) dated 6/30/14 for the Rome Creek Property, from the final deed and title insurance policy: Exception 16, line of credit trust deed; Exception 17, assignment of leases/rents; Exception 18, financing statement.
7. In addition to actions taken to resolve split estate matters under Item 4 above, Grantee provides sufficient evidence that the following PTR exceptions (i) will be removed from final title insurance policies or (ii) will not conflict with the ecological outcomes planned for the properties being purchased by Grantee:
 - a. Douglas County Property (PTR dated 6/4/14): Exception 9, federal patent reservations; Exception 10, logging contract; and Exception 11, access issues.
 - b. Mount Scott Holding Company Property (PTR dated 6/3/14): Exceptions 10-13, easements and right-of-way; Exception 14, deed of trust; and Exception 16, access issues.
 - c. Rome Creek Timber Company Property (PTR dated 6/30/14): Exception 10, federal patent reservations; Exceptions 11,12, 14 and 15 easements; and Exception 20, access issues.
 - d. City of Reedsport Property (PTR dated 6/30/14): Exception 10-12, easements.
8. Grantee makes a good faith effort to develop a formal cooperative relationship with the Port of Coos Bay for the purpose of coordinating Grantee's stewardship activities with the railroad's adjacent land management activities.
9. Grantee agrees that the management plan required by OWEB's standard form conservation easement will include, but not be limited to, the following:

- a. A plan for recreational use of the properties, including a commitment of staffing and funding necessary to inform and monitor recreational activities for the purpose of preventing impacts to the properties' conservation values.

Mill Creek Ridge – Paintbrush Meadows (215-9907)
Project-Specific Funding Conditions

1. Grantee develops a more effective and timely due diligence review process by:
 - a. Developing a more effective working relationship with its title company;
 - b. Ensuring the completeness and accuracy of due diligence materials before submitting them to OWEB for review; and
 - c. If title or transaction problems are identified during the process, proposing an approach to resolving the matters when forwarding materials to OWEB for its consideration.
2. Grantee provides sufficient evidence that the following preliminary title report (PTR) exceptions will (i) be removed from the final title insurance policies or (ii) will not conflict with the ecological outcomes planned for the properties being purchased by Grantee:
 - a. Krautman Family Nursery (PTR dated 8/22/11): Exceptions 10 and 11 (plat action notices of decision); Exception 12 (survey plat references); Exceptions 15 and 16 (evidence of authority to sign); and Notes 1-5 (not relevant to a final policy).
 - b. Unhanand Nartnucha Trust (PTR dated 12/11/14): Exception 6 (farm management easement); Exception 7 (conditional use permit); Exception 8 (plat restrictions, easements and dedication); Exception 9 (deed covenants); Exception 10 (certification of trust requirement); Exception 11 (statutory liens); and Exception 12 (rights of possession claims).
3. Grantee agrees that the management plan required by OWEB's standard form conservation easement will include, but not be limited to, the following:
 - a. Planning and actions for conserving the Property's conservation values, including but not limited to:
 - i. Thorough and rapid treatment of invasive weeds;
 - ii. An analysis of the feasibility of using fire as a tool for the maintenance of conservation values, and implementation of a fire program, if the analysis determines the use of fire is feasible;
 - iii. Rapid post-fire rehabilitation of site conditions if an unintended fire occurs;
 - iv. Removal of fences that are not necessary to prevent trespass, and an assessment of the feasibility of retrofitting remaining fences to facilitate safe wildlife movement; and
 - v. Control of conifer encroachment; and
 - b. A plan for recreational use of the Property, including a commitment of staffing and funding necessary to inform and monitor recreational activities for the purpose of preventing impacts to the Property's conservation values. The recreational plan will include, but not be limited, to:
 - i. Use of existing roads and trails for recreational activities;
 - ii. Access routes and use restrictions that will be necessary to reduce disturbances and the spread of invasive species, and to otherwise comply with the intent of the OWEB conservation easement;

- iii. Signage, fencing, and collaboration with neighbors and horseback riders and other recreationists, and
- iv. Seasonal use restrictions to protect native animals such as ground-nesting birds and wintering ungulates.



Oregon

John A. Kitzhaber, MD, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: Agenda Item K: Spending Plan
April 28-29, 2015 OWEB Board Meeting

I. Introduction

This report updates the Board on OWEB's 2013-2015 Spending Plan. Based on discussions at the January and March Board meetings and with the Executive Team, two options are provided for Board feedback prior to a final spending plan decision in July 2015. This item is for discussion only; no Board action will be taken at this time. However, the Board will be asked to provide direction to staff for moving forward with final options for the July 2015 meeting.

II. Background

After the Oregon Legislature approves OWEB's budget at the beginning of each biennium, the Board considers and approves a spending plan for the distribution of grant funding. The OWEB Spending Plan guides the agency's grant investments for the biennium. Available funding for the Board to distribute includes Measure 76 Lottery, federal, and salmon license plates. The bulk of OWEB's funding comes from two major sources: Measure 76 Lottery Funding and the Pacific Coastal Salmon Recovery Fund (PCSRF). Since 2000, OWEB has received PCSRF grants awarded annually by NOAA Fisheries. PCSRF funds are a significant component of OWEB's budget, accounting for approximately one-third of OWEB's total funds. The Oregon Legislature routinely allocates PCSRF funding based on estimated federal grant awards over two years. While not guaranteed, the funds have proven to be a reliable source for OWEB's budget.

At its June 2013 meeting, the Board adopted a 2013-2015 Spending Plan totaling \$67.47 million. In July 2014, the Board updated the spending plan to include additional PCSRF monies, as well as funding transfers to other agencies. Attachment A shows the 2013-2015 Spending Plan, total Board awards to date, and funds remaining in each line item as of April 2015 (refer to front of binder for this information).

III. 2015-2017 Spending Plan Development

Based on the February 2015 revenue forecast, it is estimated that \$56 million will be available for grant distribution through Measure 76 Lottery Funds and up to \$25 million of PCSRF funding over the course of the biennium. For Lottery funding, this amount is dependent on revenues received. For PCSRF funding, this amount will be dependent on OWEB's successful receipt of PCSRF funding through their competitive grant process. If Congressional funding is available, PCSRF provides an opportunity for eligible applications—including OWEB on behalf of the State of Oregon—to submit grants each year. It should be noted that there are limitations on eligible uses of the available PCSRF funds, such that these funds cannot be used for all aspects of OWEB's grant program. PCSRF funds are also used for OWEB staff, and a portion goes to the

Oregon Department of Fish and Wildlife. Of the \$25 million, it is assumed that approximately \$9.8 million would be invested in OWEB's grant program for the Board's spending plan.

In October 2014, the Board discussed how the spending plan should be organized within the Long-Term Investment Strategy (LTIS) Framework to accurately reflect how funds have been spent. Staff re-organized the spending plan accordingly in the attachments to this staff report. In January 2015, the Board provided feedback on three approaches for the spending plan.

IV. 2015-17 Spending Plan Options

While details of 2015 PCSRF funding and final revenues for Lottery funding are not yet available, staff are proposing percentages the Board could consider for investment in the LTIS categories as defined at the October 2014 Board meeting. Attachments B and C will form the basis of discussions about the spending plan at the April Board meeting. In developing the document, staff first analyzed the 2011 and 2013 spending plans (as they were initially approved by the Board at the beginning of each biennium) to determine what percent was invested in each of the major spending plan categories. Staff then did the same thing for the spending plan after additional PCSRF funding was received.

Following discussions at the January 2015 Board meeting and discussions with the executive committee, for the 2015-17 biennium, staff are presenting two options for investment percentages by LTIS framework category. These are contained in Attachment B.

Attachment C converts those percentages to dollar values using the latest revenue projections as a basis, along with an assumed \$4.9 million of additional PCSRF funding in year two of the spending plan. It is likely revenue forecasts will change again between the April and July Board meetings, when the Board will vote to approve a final spending plan. These dollar values may change when final forecasts are available.

V. Spending Plan Fund Additions

Each biennium, two things may occur that result in an increase to revenues: 1) funding received can exceed forecasts and 2) OWEB regularly recaptures grant dollars from projects that came in under budget or were not completed. In the case of this spending plan, staff recommend any funding increases or recaptured funds will go directly to the following open solicitation line items: restoration, technical assistance, monitoring and land and water acquisition.

VI. Spending Plan Line Items

The Spending Plan contains a range of items. Some are frequently discussed (restoration, technical assistance and monitoring grants; focused investments and council capacity), while others (weed grants, small grants, district capacity, CREP) are less frequently on the Board's agenda. Board members have raised questions over the last biennium about many of the spending plan line items. At the beginning of the 2013-15 biennium, staff provided updates on some of those line items. At the April 2015 Board meeting, staff will present on each line item to give the Board a better sense of what is funded in each area. These presentations are in advance of the July Board meeting where decisions will be made on spending plan amounts for the 2015-17 biennium. Attachments D-1 through D-16 to the staff report provide summaries of the spending plan line items. Staff will present information to the Board at the April meeting to provide additional details about the programs and answer any questions the Board may have about those programs.

While generally, the changes are shifts between open solicitation and focused investments based on the Board's direction to gradually increase focused investments over time, some line items have specific adjustments for Board consideration:

- 1) Outreach grants are reduced to \$500,000. Through the LTIS framework, staff prioritized work on program changes and improvements. As a part of the LTIS process, staff also identified the need to take a closer look at outreach grants and propose program adjustments as needed based on the LTIS and strategic plan. However, given staff resources, it was proposed this review take place in the 2015-17 biennium. Staff propose to initiate that process with the open solicitation committee in the new biennium, and make available a smaller amount for that line item while the review takes place.
- 2) In Option A, SWCD and Council Capacity grants have a 'cost of living' increase of \$300,000 as an option for the Board to consider.

Some line items from previous spending plans have been zeroed out for the 2015-17 plan:

- 1) *Deschutes, Upper Klamath, and Willamette Special Investment Partnerships (SIPs) and Whole Watersheds Restoration Initiative*. These have no funding amount as the new Focused Investment Partnership Program rolls out in the 2015-17 biennium, replacing these programs. Bridge funding for the three SIPs is provided for the first six months of the biennium through Agenda Item E at the April Board meeting.
- 2) *Effectiveness Monitoring*. Under the revised spending plan, Effectiveness monitoring is shifted from the 'Other' category to either Open Solicitation or Focused Investments. In this estimate, funding is equally split between the two line items, but staff may ask for adjustments as funding needs are identified.
- 3) *Ecosystem Services*. Staff recommend eliminating this line item and instead using other mechanisms (restoration, monitoring and Oregon Plan/Governor's Priorities) as the vehicle for funding ecosystem services projects. This is for three reasons. First, the line item has not been spent fully in the last two biennia. In that time, \$400,000 has been budgeted with just over \$200,000 awarded to projects. Second, much of the pilot work OWEB has accomplished around ecosystem services is tied directly to either focused investments, monitoring or restoration projects. Staff believe the best way to incorporate the use or additional development of methods, tools and metrics is through regular granting processes, while ensuring monitoring staff are fully involved. Third, the ecosystem services program has largely been incorporated as a philosophy within agencies, rather than a stand-alone program. Staff propose that the best way to fully engage in an ecosystem services approach is to incorporate it directly into the agency's granting processes as well.
- 4) *Business Practices*. Staff propose these costs are better covered under the Operations part of OWEB's budget rather than the granting program.

VII. Reducing Impact to Open Solicitation

Staff have researched a number of options since the January 2015 Board meeting, including capping regular grants at a certain dollar amount, and completing a statewide review of grants over a certain amount. The recommended approach is to review OWEB's match requirements for higher cost projects. Staff have researched this option and it would require a rule change for implementation. In order to ensure this approach would actually reduce impacts to open solicitation and not result in any unintended consequences, staff recommend a review take place in the 2015-17 biennium, and suggested approaches brought to the Board for further consideration.

VIII. Recommendation

This is an information item only. Staff will be seeking feedback on overall spending plan direction for development of a final proposal for Board consideration in July 2015. No final decisions will occur at the April meeting.

Attachments

- A. 2013-2015 OWEB Spending Plan – Refer to front of binder for this information
- B. Spending Plan Background and Options
- C. OWEB 2015-17 Draft Spending Plan (chart)
- D. D1-D16 Spending Plan Line Item Summaries

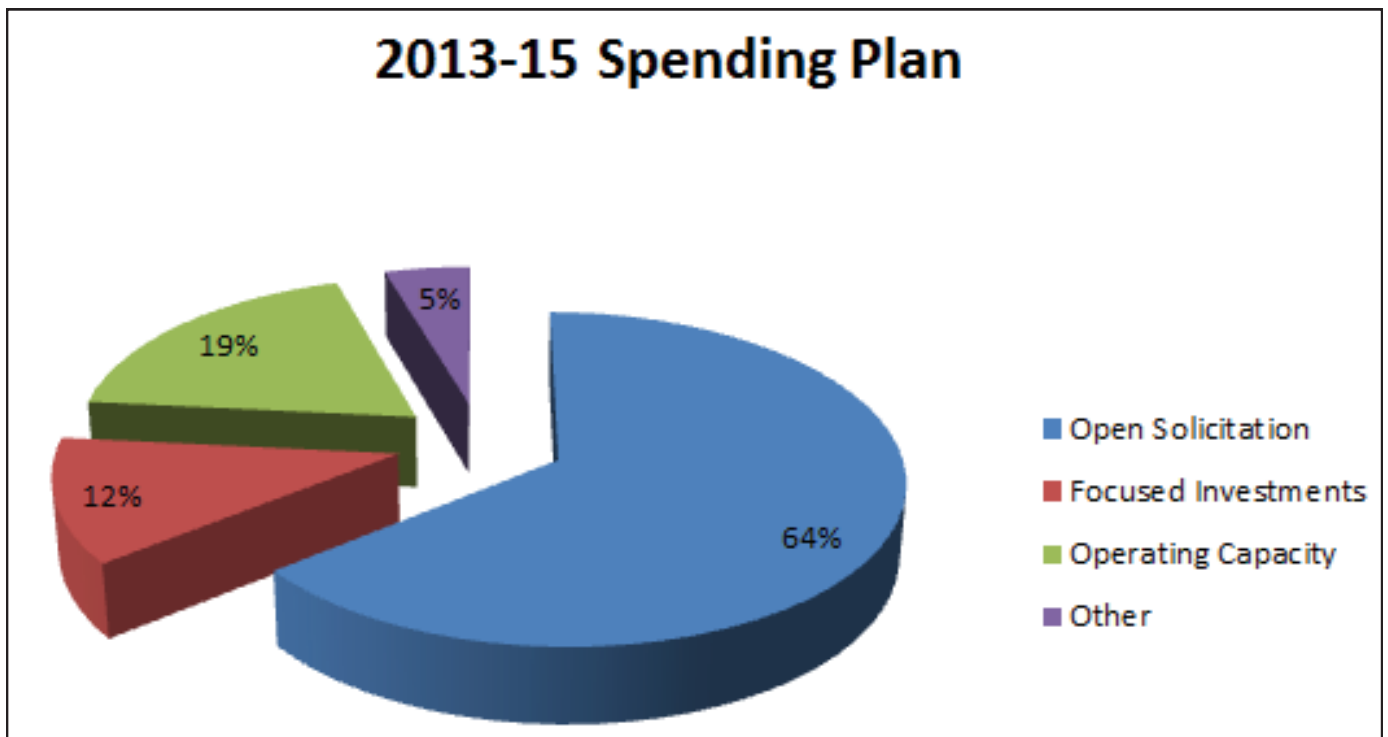
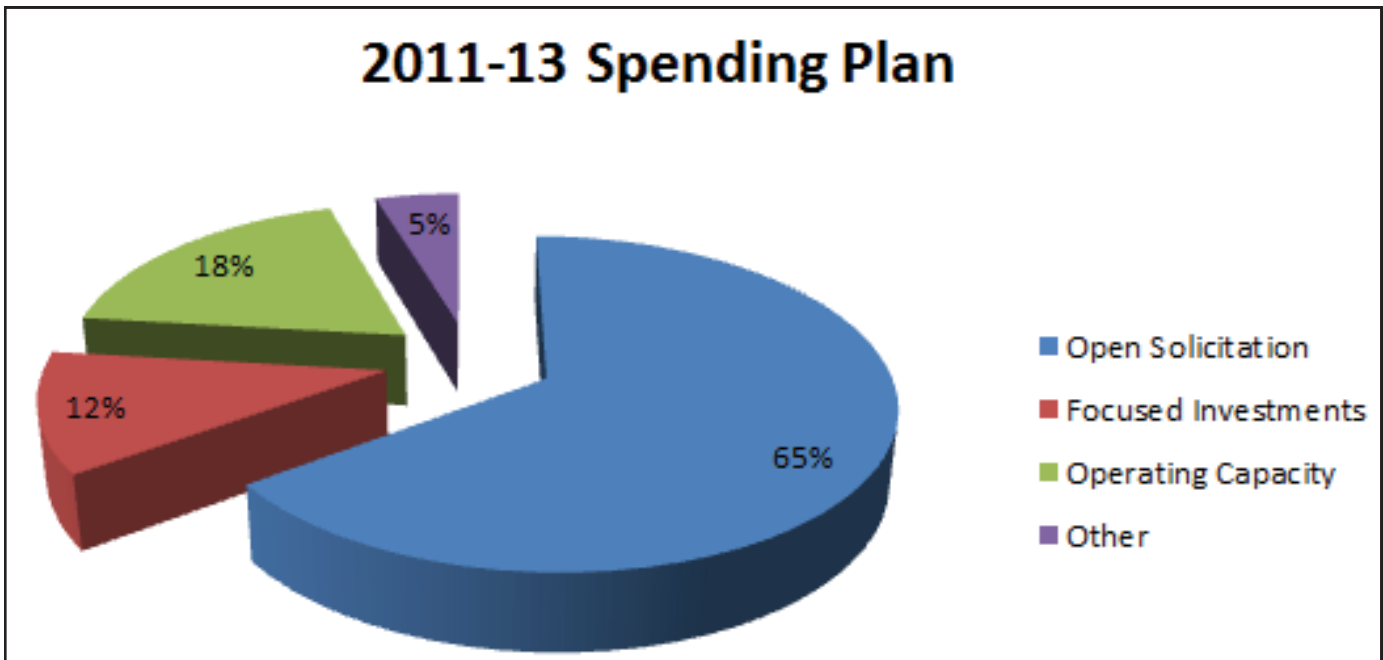


OWEB 2013-15 Spending Plan

April 2015 Board Meeting

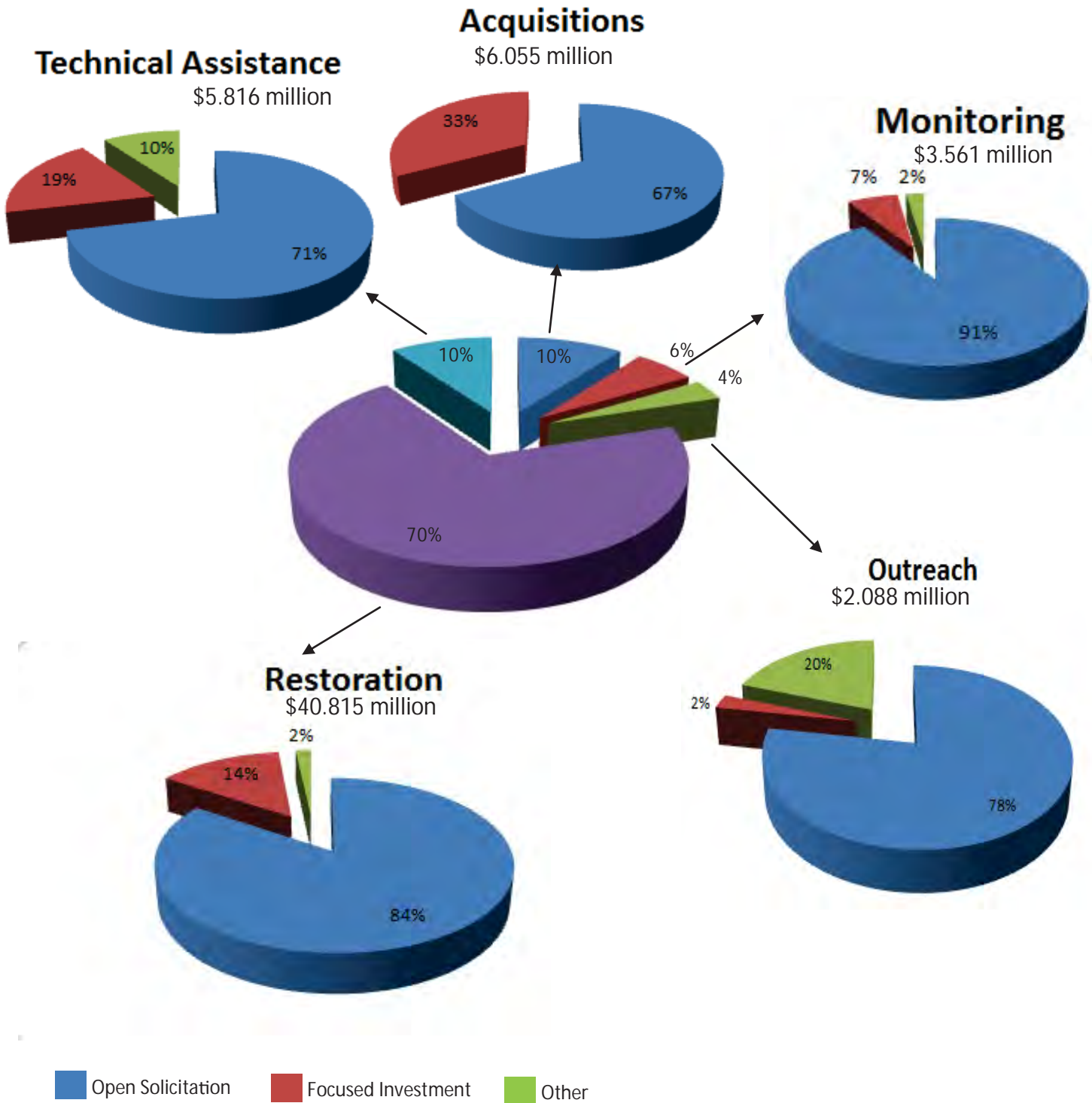
OWEB SPENDING PLAN	April 2015 additions to spending plan	Spending Plan as of Apr 2015	Mar 2015 Awards	TOTAL Board Awards To-Date	Remaining Spending Plan as of Mar 2015	Apr 2015 Proposed Awards	Remaining Spending Plan as of Apr 2015
Open Solicitation:							
Restoration		27.720		20.655	7.065	6.987	0.078
Technical Assistance							0.000
Restoration TA		2.600		1.808	0.792	0.816	(0.024)
Action Plans for WC		0.250		0.181	0.069		0.069
CREP TA		0.750		0.750	0.000		0.000
Monitoring Grants		2.500		1.451	1.049	1.049	0.000
Outreach		1.100		0.600	0.500	0.514	(0.014)
Assessments		0.000		0.000	0.000		0.000
Land and Water Acquisition		8.000		5.344	2.657	1.600	1.057
Weed Grants		2.500		2.500	0.000		0.000
Small Grants		2.800		2.800	0.000		0.000
TOTAL	0.000	48.220	0.000	36.089	12.132	10.966	1.166
% of assumed Total Budget		64.8%					
Focused Investments:							
Deschutes SIP		4.000		4.000	0.000	1.000	(1.000)
Willamette SIP		3.000		3.000	0.000	0.750	(0.750)
Klamath SIP		0.800		0.800	0.000	0.200	(0.200)
Whole Watershed Restoration Initiative		0.500		0.500	0.000		0.000
Bridge Funding	1.950	1.950		0.000	1.950		1.950
TOTAL	1.950	10.250	0.000	8.300	1.950	1.950	0.000
% of assumed Total Budget		13.8%					
Operating Capacity:							
Capacity grants (WC/SWCD)		12.200		12.200	0.000		0.000
OACD/Network		0.415		0.415	0.000		0.000
Building Capacity Grants		0.200		0.200	0.000		0.000
TOTAL	0.000	12.815	0.000	12.815	0.000	0.000	0.000
% of assumed Total Budget		17.2%					
Other:							
CREP		0.500		0.500	0.000		0.000
Oregon Plan/Governor's Priorities		1.000	0.045	0.875	0.125	0.025	0.100
Effectiveness Monitoring		1.000	0.072	0.621	0.379	0.069	0.310
Ecosystem Services		0.150		0.090	0.060	0.077	(0.017)
Business Practices		0.200		0.150	0.050		0.050
Lower Columbia Estuary Program		0.300		0.300	0.000		0.000
TOTAL	0.000	3.150	0.117	2.536	0.614	0.171	0.443
% of assumed Total Budget		4.2%					
TOTAL OWEB Spending Plan	1.950	74.435	0.117	59.740	14.696	13.087	1.609
OTHER DISTRIBUTED FUNDS							
Oregon Department of Fish & Wildlife /PCSRF		9.226		9.226	0.000		0.000
IMST (½ M76 Operating / ½ PCSRF)		0.462		0.462	0.000		0.000
USFW-Coastal Wetlands	3.399	3.398		0.120	3.278	3.399	0.000
Forest Health Collaboratives from ODF		0.600		0.600	0.000		0.000
PSMFC-IMW		0.300		0.300	0.000		0.000
NRCS-CREP TA		0.250		0.250	0.000		0.000
TOTAL	3.399	14.236	0.000	10.958	3.278	3.399	0.000
TOTAL Including OWEB Spending Plan & Other Distributed Funds	5.349	88.671	0.117	70.698	17.974	16.486	1.609

Historic Spending Plan Percentages by Long Term Investment Strategy Category*



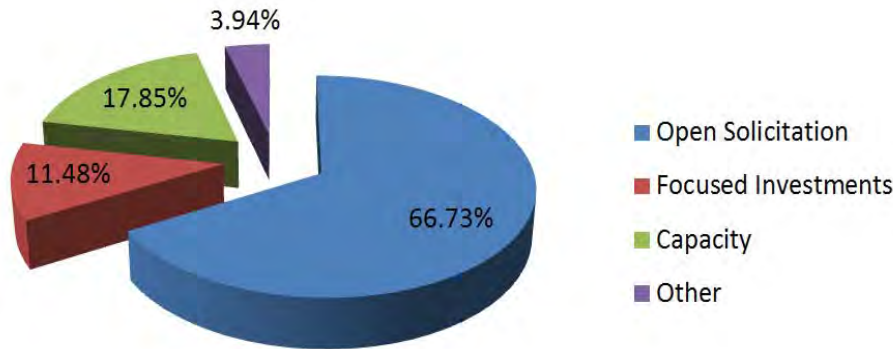
*NOTE: Spending plan percentages are based on categories established by the OWEB Board at the October 2014 Board meeting and retroactively applied to previous spending plans.

2011-2013 Agreements Executed by Grant Type



Proposed Percentages for 2015-17 Spending Plan by Long Term Investment Strategy Category*

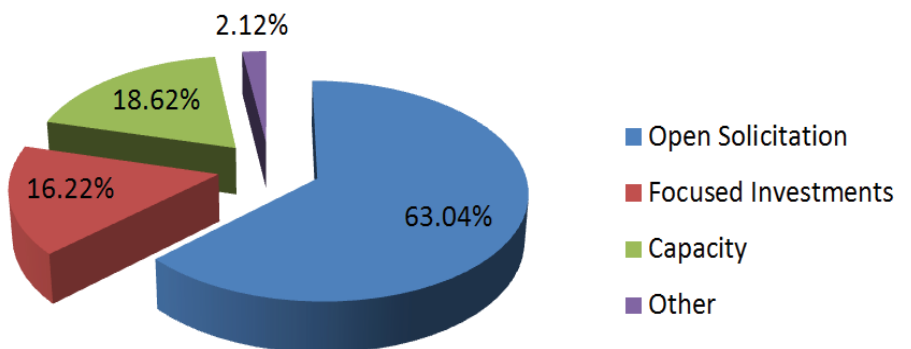
Current Spending Plan with Additional PCSRF



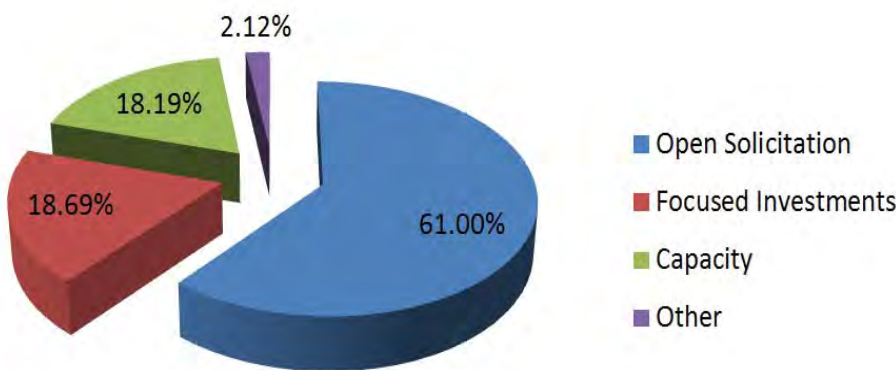
Note: both options identified provide a smaller increase in focused investments than identified at the January board meeting because lottery revenue projections came in at a lower amount than the current spending plan level.

Option A: Focused Investments increase by 4.74%. Effectiveness Monitoring is moved specifically to programmatic EM in either Open Solicitation or Focused Investments, with a corresponding decrease in Open Solicitation of 3.69% and decrease in Other (where EM previously resided) of 1.82%.

Option A Spending Plan with Additional PCSRF



Option B Spending Plan with Additional PCSRF



Option B: Focused Investments increase by 7.2%. Effectiveness Monitoring is moved specifically to programmatic EM in either Open Solicitation or Focused Investments, with a corresponding decrease in open solicitation of 5.73% and a decrease in Other (where EM previously resided) of 1.82%.

**The draft spending plan in April provides Board-identified percentages as options. The April spending plan draft includes both percent and dollar amounts, though final dollar figures will not be available until the July spending plan, after the agency's 2015-17 budget is approved.*

OWEB 2015-17 DRAFT Spending Plan
Using Feb 19, 2015 Economic Forecast

OWEB SPENDING PLAN	July 1, 2013 Spending Plan Excluding PCSRF FFY14	July 1, 2013 Spending Plan with addition \$4.9m PCSRF FFY14	July 1, 2015 Proposed Option A excluding PCSRF FFY16	July 1, 2015 Proposed Option A with addition \$4.9m PCSRF FFY16	July 1, 2015 Proposed Option B excluding PCSRF FFY16	July 1, 2015 Proposed Option B with addition \$4.9m PCSRF FFY16
Open Grants:						
Restoration	26.320	27.720	22.950	25.850	21.500	24.400
Technical Assistance						
Restoration TA	1.800	2.600	1.750	2.750	1.750	2.750
Action Plans for WC	0.250	0.250				
CREP TA	0.750	0.750	0.750	0.750	0.750	0.750
Monitoring grants	1.350	2.500	1.900	1.900	1.900	1.900
Outreach	0.600	1.100	0.500	0.500	0.500	0.500
Assessments						
Regular Land and Water Acquisition	7.000	8.000	6.150	7.150	6.150	7.150
Weed Grants	2.500	2.500	2.500	2.500	2.500	2.500
Small Grants	2.800	2.800	2.800	2.800	2.800	2.800
June 2011 Grant awards (Mar 2011 holdover)	NA	NA	NA	NA	NA	NA
OS Effectiveness Monitoring			0.500	0.500	0.500	0.500
TOTAL	43.370	48.220	39.800	44.700	38.350	43.250
% of assumed Total Budget	64.46%	66.80%	60.30%	63.05%	58.11%	61.00%
Focused Investments:						
Deschutes SIP	4.000	4.000				
Willamette SIP	3.000	3.000				
Klamath SIP	0.800	0.800				
Whole Watershed Restoration Initiative	0.500	0.500				
FI Partnership Implementation			10.000	10.000	11.750	11.750
FI Partnership Capacity-Building			1.000	1.000	1.000	1.000
FI effectiveness monitoring			0.500	0.500	0.500	0.500
TOTAL	8.300	8.300	11.500	11.500	13.250	13.250
% of assumed Total Budget	12.34%	11.50%	17.42%	16.22%	20.08%	18.69%
Operating Capacity:						
Capacity grants (WC/SWCD)	12.200	12.200	12.500	12.500	12.200	12.200
OACD/Network	0.415	0.415	0.300	0.300	0.300	0.300
Building Capacity Grants	0.200	0.200	0.400	0.400	0.400	0.400
TOTAL	12.815	12.815	13.200	13.200	12.900	12.900
% of assumed Total Budget	19.05%	17.75%	20.00%	18.62%	19.55%	18.19%
Other:						
CREP	0.500	0.500	0.500	0.500	0.500	0.500
Oregon Plan/Governor Priorities	1.000	1.000	1.000	1.000	1.000	1.000
Effectiveness Monitoring	1.000	1.000				
Ecosystem Services	0.150	0.150				
Business Practices	0.150	0.200				
TOTAL	2.800	2.850	1.500	1.500	1.500	1.500
% of assumed Total Budget	4.16%	3.95%	2.27%	2.12%	2.27%	2.12%
TOTAL OWEB Spending Plan Proposal	67.285	72.185	66.000	70.900	66.000	70.900
OTHER DISTRIBUTED FUNDS IN ADDITION TO SPENDING PLAN DISTRIBUTION						
Oregon Department of Fish and Wildlife - PCSRF	4.804	4.804	4.804	4.804	4.804	4.804
IMST	0.237	0.237	0.237	0.237	0.237	0.237
USFW-Coastal Wetlands						
Forest Health Collaboratives from ODF						
PSMFC-IMW	0.300	0.300	0.300	0.300	0.300	0.300
Lower Columbia Estuary Partnership	0.300	0.300	0.300	0.300	0.300	0.300
TOTAL	5.641	5.641	5.641	5.641	5.641	5.641
TOTAL Including OWEB Spending Plan and Other Distributed Funds	72.926	77.826	71.641	76.541	71.641	76.541

Watershed Council Capacity

Summary:

Council Capacity Grants are awarded biennially and help support the operations of effective watershed councils that engage people and communities in their watershed to participate in collaborative, voluntary restoration and protection of native fish or wildlife habitat and natural watershed functions to improve water quality or stream flows.

Program History:

OWEB has provided operating grants to watershed councils for more than 15 years. Watershed councils are locally based, voluntary, and under Oregon law, “designated by a local government group convened by a county governing body, to address the goal of sustaining natural resource and watershed protection, restoration and enhancement within a watershed.” (ORS 541.890(15))

OWEB does not create or oversee watershed councils. OWEB has discretion to provide capacity grants to councils that represent a balance of interests in their watersheds and demonstrate the potential to protect and enhance the quality of their watersheds. Councils also are expected to assure a high level of citizen involvement in the development and implementation of watershed action programs (ORS 541.910).

In 2010 OWEB staff began the program review and in March 2012, the Board directed staff to develop details of the “outcome-based review and award process,” and hold listening sessions in preparation for changing the program. Staff considered listening session and work group feedback, and worked with the Operating Capacity Board subcommittee, to develop proposed eligibility and merit criteria. In April–May 2013, the proposed criteria were shared with stakeholders.

In June 2013, the Board authorized staff to begin rulemaking with the policy direction to build capacity through increased council sharing, combining, collaborating, and reducing the number of individual support grants over 5–10 years. To reinforce this direction, the Board supported capping eligibility for individual grants at no more than 64 (based on watershed areas for councils that previously received an individual Watershed Council Support Grant). Geographic areas can change, but OWEB wants to see stronger, collective local capacity, not “splitting” and “subdividing” into smaller areas resulting in more competition for limited resources and more duplication of administrative infrastructure.

In July 2014, the Board adopted administrative rules and Implementation Guidance for Council Capacity grants. Fifty-nine councils submitted requests for Eligibility Determination by the November 2014, deadline. After the Eligibility Review, and when necessary the appeal process, all fifty-nine were determined eligible to apply for a Council Capacity grant, and all applied by the March 2015, deadline. The Board will award 2015-2017 Council Capacity grants at the July 2015, Board meeting. Further details are provided in the Director’s Update.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:**2010 OWEB Strategic Plan**

Goal 2, Local Infrastructure: Support an enduring, high-capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build capacity, provide base funding, and promote strategic partnerships.

Long-Term Investment Strategy: Operating Capacity Investments

Council Capacity Grants support operating costs for effective watershed councils and are specifically identified in OWEB's statutes.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

There are two program developments that are pertinent to the spending plan. First, the new rules and Implementation Guidance provides for three funding levels, 1) Full base award for councils that meet all the merit criteria; 2) Reduced base award for councils that do not meet all the merit criteria (The reduced funding base award will be 80% of the full base award); and 3) Do not fund. This new approach will impact how the funding lines are developed.

Secondly, in January 2015, four councils in the Rogue Basin, Bear Creek WC, Little Butte Creek WC, Upper Rogue WC, and Stream Restoration Alliance of the Middle Rogue, merged into the Rogue River Watershed Council. This impacts the number of councils that applied for individual Council Capacity grants and will impact the distribution of funding.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	6.100	5.975
2011-2013	6.100	12.185*
2013-2015	6.100	0.000*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015. For 2013-2015, Council Support grants were awarded in June 2013 and the funding was added to the 2011-2013 biennium Council Support grants.

Soil and Water Conservation District Capacity

Summary:

Soil and Water Conservation District (SWCD) Capacity Grants provide funding for 45 SWCDs to work with landowners and partners to conserve natural resources. This work is vital in protecting and improving Oregon's water quality. The funding is divided into two funds for each SWCD:

- 1) Scope of Work Fund supports working with landowners and partners to protect and conserve natural resources; specifically, providing technical assistance and community engagement for the restoration and protection of native fish and wildlife, watersheds, and water quality through implementation of Agricultural Water Quality Management Area Plans and the Oregon Plan for Salmon and Watersheds.
- 2) District Operations Fund supports the capacity of the SWCDs to comply with Oregon Revised Statute (ORS) requirements, conduct business, and provide assistance to landowners and partners.

Program History:

SWCDs have a 75-year history in Oregon. The Oregon Legislature passed legislation to establish conservation districts in 1939 to protect local renewable natural resources. South Tillamook became the first official Soil Conservation District on February 10, 1940. In 1963 the Oregon Legislature added the "and Water" to the name of Soil Conservation Districts. The first Legislative Budget Note for SWCD funding was in 1997: *"The Subcommittee expects the grant funds to be available in to following amounts through the Governor's Watershed Enhancement Board: \$2,400,000 - Soil and Water Conservation Districts: Funding for positions in each of the eight existing area and for watershed assessments and management plans; half of the funding would be distributed through an application process."*

SWCDs are political subdivisions of state government, but are not state agencies. SWCDs are considered municipal corporations, a form of local government that is required to follow most of the same laws that govern state agencies. They are governed by specific enabling legislation under ORS 568. The members of SWCD Board of Directors are elected officials, to serve on either a five or seven member board.

Since the inception of the Agricultural Water Quality Management Program, legislative direction from the Oregon Legislative and budget notes have resulted in the following list of fundamental principles from which the annual work plan, commonly known as the Scope or Work (SOW), is built:

- 1) ODA is responsible to develop, periodically modify, and implement Agricultural Water Quality Area Plans that are sufficient to meet water quality standards as described in statute.
- 2) SWCDs are the Local Management Agencies that assist ODA in implementing the Area Plans. SWCDs are to be involved in timely, effective implementation of Area Plans to the fullest extent practical.
- 3) Legislative budget notes (1997, 2007) provide direction to ODA on the use and purpose of funds allocated to SWCDs, as further refined in the Intergovernmental Agreement.
- 4) Legislative direction is to use these funds to implement the agricultural portion of the Oregon Plan for Salmon and Watersheds as administered by ODA.

In June 2012, ODA began working with Oregon Association of Conservation Districts leadership, SWCD managers, and the Soil and Water Conservation Commission to develop a new annual work plan or Scope of Work (SOW) process. The new SOW process provides SWCDs more flexibility and responsibility. 75% of the SOW funds are used for district-wide tasks while requiring 25% of the funds to be used for a specific geographic area (Focus Area). Focus Areas allow SWCDs to assess and measure change in land conditions over time. The SOW Focus Area process is a consistent approach to geographically assess riparian conditions, target on the ground projects to improve water quality, and demonstrate effectiveness of the conservation work SWCDs achieve on a statewide basis.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs.

Goal 2, Local Infrastructure Development: Support an enduring, high-capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Goal 4, Partnership Development: Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation.

Long-Term Investment Strategy

Operating Capacity: Operating Capacity Investments support the operating costs of effective watershed councils and soil and water conservation districts. Councils and districts are specifically identified in OWEB's statutes.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

In the 2013-2015 Biennium, ODA implemented the new SOW process described in above in program history, including requiring 25% of the funds to be used for a Focus Area. This work will be again required in the 2015-2017 Biennium. Focus Area work and assessments allow SWCDs to demonstrate the progress being made in implementing Area Plan goals and provide ODA data and information to measure progress toward water quality improvement.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Actual Expenditures
2009-2011	6.000	5.981
2011-2013	6.100	6.077
2013-2015	6.100	6.100

Capacity Grant Funding for the Network of Oregon Watershed Councils and Oregon Association of Conservation Districts

Summary:

The Network of Oregon Watershed Councils (NOWC) and Oregon Association of Conservation Districts (OACD) support the work of councils and districts, which have complementary restoration and conservation objectives across the landscape, through technical training, capacity building, and networking opportunities.

The Network of Oregon Watershed Councils (NOWC) is dedicated to supporting the work of the approximately 90 watershed councils throughout the state by increasing council capacity, improving key relationships, and promoting public awareness of watersheds and watershed councils.

The Oregon Association of Conservation Districts (OACD) represents, supports, and strengthens Oregon's 45 member Conservation Districts through member services, program development, training, leadership development, public education, and government relations.

Program History:

Since 2007, the OWEB Board has approved grants in a variety of fashions for these two organizations, recognizing that they provide a vital link between OWEB's programs and successful on-the-ground project implementation. In addition, in previous biennia, each organization has been successful in receiving statewide outreach grants from OWEB. Both organizations have been successful in receiving funding from other partners and local organizations to support their work. OWEB's funding has supported various deliverables in past biennia, including conferences, trainings, one-on-one work with local organizations, and youth activities.

In 2012, OWEB, NOWC and OACD began meeting to discuss ways to further collaboration among the three organizations. This has resulted in NOWC and OACD taking steps to formalize a partnership that includes shared office space and staff resources, allowing them to reduce overhead and expand capacity. The organizations' work has increasingly included the Coalition of Oregon Land Trusts (COLT) and Oregon Conservation Education and Assistance Network (OCEAN).

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

Strategic Plan: NOWC and OACD Capacity Grants support Goals 2-4 in the Strategic Plan. Goal Two, Local Infrastructure Development: Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation; Goal Three, Public Awareness and Involvement: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds and; Goal Four, Partnership Development: Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations, and private landowners for watershed and habitat restoration and conservation.

Long-Term Investment Strategy: Operating Capacity Investments

NOWC and OACD Capacity Grants support the goals and purposes of OWEB's Operating Capacity Grant Investments, by providing support to watershed councils and soil and water conservation districts in their work toward engaging local communities and implementing on-the-ground restoration projects.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

Over the past two years, OWEB funding has been leveraged to collaboratively support on-the-ground restoration through jointly sponsored programming for councils, districts, and land trusts. This model has garnered regional and national attention. Examples of joint programming include Regional Meetings in the summer of 2014 (combined efforts of NOWC, OACD, COLT, and OCEAN), encouraging both council and district staff member participation in OCEAN's spring training event, 2014 CONNECT (~30 council and 120 district employees attended), and the joint NOWC/OACD Fall Gathering.

Internally, NOWC and OACD share staff resources, have held a joint board meeting, created a joint planning committee for the 2015 Fall Gathering, and built capacity around management of shared grant funds. This collaborative model has enabled the partnership to leverage OWEB funding to attract additional investments from NRCS and USFWS. Support from these agencies has augmented existing programs and made possible investments in sage grouse restoration, as well as outreach around working lands and easements. OACD also received a \$9M grant from NRCS, which the partnership will help administer in support of Eastside sage grouse restoration efforts.

Looking forward, NOWC, COLT, OACD, and OCEAN plan to continue to collaboratively support on-the-ground restoration through jointly sponsored programming for councils, districts and land trusts. NOWC, COLT, and OACD have also begun conversations with private foundations to explore opportunities for increasing collaboration between all three organizations to better support the work of councils, districts, and land trusts.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.200	0.200
2011-2013	0.200	0.170
2013-2015	0.415	0.415

Building Capacity Grants

Summary:

Building Capacity Grants provide resources for a group of councils to build capacity through resource sharing and organizational restructuring.

Program History:

The Board's 2013-2015 spending plan allocated \$200,000 for "building capacity/watershed council transition" grants. The Board delegated authority to the Executive Director to award grants to support councils' transition to new organizational/operating structures to improve capacity for watershed restoration and community engagement outcomes.

OWEB announced this new grant offering for the first time in July 2013. Two grants were awarded for a total of \$120,864. One grant (\$55,353) was awarded to the North Santiam and Luckiamute Watershed Councils and Cascade Pacific RC&D to expand the RC&D's capacity to provide administrative services to watershed councils, which would allow councils more options and resources. A suite of services has been developed, and three councils are currently using these services. The group is currently working on a marketing approach and the grant will conclude this summer. The second grant (\$83,824) was awarded to four councils (Upper Rogue, Stream Restoration Alliance of the Middle Rogue, Little Butte Creek, and Bear Creek Watershed Councils) in the Rogue Basin which were pursuing a merger. Effective January 1, 2015, the four councils merged into the Rogue River Watershed Council and hired an Executive Director.

In June 2014 OWEB staff announced a second Building Capacity grant offering with the remaining \$60,823; however, no grants were awarded during this round. OWEB had a third grant offering in February 2015. This grant offering was narrowed to only support mergers or consolidations of watershed councils. As of April 1, 2015 no councils have applied for funding.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

Goal 2, Local Infrastructure: Support an enduring, high-capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build capacity, provide base funding, and promote strategic partnerships.

Long-Term Investment Strategy: Operating Capacity Investments

Building Capacity Grants support the goals and purposes of OWEB's Council Capacity Grant program direction, adopted by OWEB Board in June 2013 and July 2014, to build capacity through resource sharing and organizational restructuring.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

In January 2015, four councils in the Rogue Basin, Bear Creek WC, Little Butte Creek WC, Upper Rogue WC, and Stream Restoration Alliance of the Middle Rogue, merged into the Rogue River Watershed Council. The OWEB Board has indicated, at the October 2014 and January 2015 Board meetings, that it supports offering transition funding for the merged Rogue River Watershed Council. This funding would be short-term, temporary funding, and only available for the first two biennia after the councils have successfully merged. The purpose of the funding is to facilitate the success of the newly merged watershed council.

In addition to the successful merger of the Rogue Basin watershed councils, other watershed councils around the state are beginning to have conversations around organizational restructuring and strategic collaboration. These councils are in various stages of internal conversations. Staff anticipates that during the 2015-2017 biennium some councils will be ready to apply for Building Capacity Grants for organizational restructuring, including, but not limited to, mergers, consolidations, and other resource sharing opportunities.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.100	0.045
2011-2013	0.100	0.002
2013-2015	0.200	0.139*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Conservation Reserve Enhancement Program Cost-Share Payments and Technical Assistance

Summary:

The Oregon Conservation Reserve Enhancement Program (CREP) is a cooperative venture between the State of Oregon and Farm Services Agency (FSA), with support from local partners including soil and water conservation districts, watershed councils and resource conservation and development councils. The purpose of this long-standing program is to restore, maintain, and enhance streamside areas along agricultural lands to benefit fish, wildlife, and water quality. Landowners enrolled in CREP receive annual rental payments and financial incentives (cost-share) to install conservation measures such as planting trees and shrubs, installing fencing, livestock watering facilities, and other approved conservation measures. The State of Oregon's cost-share contribution is provided by OWEB in the form of direct payments to landowners.

CREP Technical Assistance (TA) grants are statewide, competitive grants offered every two years. These grants cover costs for the staffing, travel, training, and outreach activities needed to develop private landowner interest in Oregon CREP, develop conservation plans, and oversee the implementation of the conservation practices aimed at restoring riparian function for the benefit of fish, wildlife, and water quality.

Program History:

In 1998, Oregon CREP was established as the fifth such program in the country. CREP supports implementation of approved conservation practices aimed at improving riparian function on private lands throughout Oregon. Oregon contributes 25% of the eligible cost-share for establishing approved conservation practices, 75% of eligible cost-share (minus available federal cost-share) for certain water developments, and 100% of costs for heavy-duty tree protectors. FSA contributes federal cost-share, rental payments, incentive bonuses, and administrative oversight. The Natural Resources Conservation Service (NRCS) and the Oregon Department of Forestry provide the majority of the necessary technical assistance, along with other in-kind technical assistance from Oregon Water Resources Department, Oregon Department of Agriculture, and others. Since 1998, Oregon CREP has grown from a relatively small, experimental program into a robust program that covers the entire state and provides important financial incentives unique to the program nationwide, and continues to be a leader nationwide in enrollments.

Following establishment of CREP, concern was expressed that the program was not being promoted to sufficiently address the agricultural riparian restoration needs in Oregon. In 2001, an assessment of CREP identified technical assistance as a significant barrier to implementation. The Board responded by providing the first CREP TA grants to soil and water conservation districts (SWCDs) around the state.

Between 2007 and 2011, CREP TA was funded out of the Board award for SWCD capacity to supplement the biennial base funding for these organizations. During that time, CREP TA primarily included funding for SWCD staff positions to assist landowners with conservation plan development and implementation.

In 2011, staff and representatives from Oregon Department of Agriculture, Oregon Association of Conservation Districts, the Natural Resources Conservation Service (NRCS), and the Farm Services Agency completed a series of meetings to review and revamp the CREP TA program. This effort resulted in a new design for the program that removed the limitation on providing CREP TA funding only to SWCDs, and opened the door for multi-county, multi-organization proposals. In that same year, OWEB and NRCS joined together to invest over \$1 million in CREP TA grants independent from the funding for SWCD capacity and OWEB's regular technical assistance grant program. These two-year grants have been intended to address critical technical assistance needs for Oregon CREP.

OWEB reports to FSA annually on the State's contribution to Oregon CREP. For the 2014 Federal Fiscal Year, the State as a whole contributed approximately \$1.2 million to the overall program, which included \$435,190 in cost-share payments, \$328,552 for OWEB's CREP Technical Assistance (TA) Grants (see CREP TA section of this staff report for additional information), in-kind contributions from state agencies, and match brought to the program through OWEB's CREP TA Grants. During that same period, Oregon CREP saw 71 new enrollments (2,487.51 acres) for a cumulative total of 41,920.3 acres enrolled in the program. The Oregon CREP agreement with FSA requires Oregon to pay for 20 percent of the overall program costs, which results in Oregon's investment leveraging significant federal funding for important riparian restoration work around the state.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

CREP relates to Goal 1, Adaptive Investment (Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs), Strategies 1 and 2, of the 2010 Strategic Plan.

CREP TA relates to Strategy 2 of Goal 1, Adaptive Investment, of the Strategic Plan: Implement monitoring and research programs to build knowledge and strengthen feedback about OWEB investments and critical uncertainties to support adaptive management for outcome improvements. It also connects to Strategy 3 of Goal 2, Local Infrastructure Development: Provide technical assistance to build capacity, secure additional funding and increase local organizational resilience. Regarding the Long-term Investment Strategy, CREP and CREP TA align with open solicitation investments because the program is founded in statewide voluntary, collaborative conservation. CREP supports a wide variety of ecological outcomes across the state, from improved water quality to enhanced riparian corridors and floodplains and enhanced instream and stream-associated habitat.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

OWEB's contributions to Oregon CREP cost-share payments have fluctuated during the 2013-15 biennium when compared to other biennia. This difference is due to the fact that federal legislation authorizing the program (the 2008 Farm Bill), expired on September 30, 2013. The 2014 Farm Bill, which reauthorized the program, did not become law until February 7, 2014. During this lapse in programmatic authorization, cost-share payments could continue for already enrolled projects, but no new enrollments could take place.

In 2013, the Board approved a spending plan that set aside \$750,000 for CREP TA. In the ensuing months, NRCS committed \$150,000 in match funding. As a result, the grant cycle for the 2014-15 CREP TA grants was more competitive than the previous cycle, which was funded at over a million dollars. Eleven programs were funded for 2014-15 with awards ranging from \$22,000 to \$122,000. The approved programs provide critical technical assistance for Oregon CREP, covering approximately 23 counties statewide.

In March 2015, OWEB hosted two CREP trainings (one in Pendleton and one in Eugene). The trainings were open to all local, state, and federal partners in the program and were heavily attended. Attendees were provided with important administrative and technical training which is critical to effective deliver of Oregon CREP.

OWEB is moving forward with plans to increase the program's ability to address cultural resource reviews and surveys needed for the development and implementation of conservation plans. In the upcoming months, OWEB will engage NRCS and other partners to identify the programmatic needs and commit resources to contractors, trainings, or other resources.

Coming out of positive discussions at the two recent CREP trainings, OWEB staff will be working to create a statewide forum for the sharing of resources and experience among the CREP technicians.

Investments by Biennium-CREP Cost Shares		
Biennium	Spending Plan (after additional funds added)	Actual Expenditures
2009-2011	1.300	1.300 (spent June 2010 to June 2013)
2011-2013	0.500	0.500 (spent June 2013 to Sept 2014)
2013-2015	0.500	0.137* (spent Sept 2014 to Mar 2015)

Investments by Biennium-CREP TA		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.00	0.00
2011-2013	0.800	0.746
2013-2015	0.750	0.750

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Oregon State Weed Board Noxious Weed Grant Program

Summary:

The prevention and control of invasive noxious weed species is a critical element of watershed protection and enhancement. Noxious weeds have direct impacts on water quality, fish and wildlife species. To address this issue, the Oregon Department of Agriculture (ODA) and OWEB partner to support implementation of high-priority noxious weed control statewide, which often is a first step in restoring watershed health.

The Oregon State Weed Board (OSWB), which is staffed by ODA, receives funding from OWEB each biennium to support noxious weed control grants (Weed Grants). The OSWB Grant Program started during the 1999-2001 biennium, after the passage of Measure 66. Until 2010 and the passage of Measure 76, the fiscal responsibilities for Weed Grants were administered through ODA. With the passage of Measure 76, a new fiscal partnership between OWEB and ODA was established.

Program History:

The OSWB Grant Program was established in 1999-2001 biennium. The program funds projects that protect watershed health and native fish and wildlife habitat from the negative impacts of noxious weeds. Under the grant program, the OSWB works to fund as many high-priority projects as possible with the available funds. Grant applications are for on-the-ground weed control projects, must address OSWB-listed noxious weeds, and can include assessment/survey, outreach and/or project design activities that are necessary to enable the weed-control portion of the project.

The passage of Measure 76 in 2010 initiated the need for a refined partnership between OWEB and ODA for OSWB grants. The ballot measure changed the language within the constitution, designating OWEB as the single granting agency for State Lottery funds designated for watershed restoration. This change resulted in OSWB grant funding to remain under OWEB's budget, rather than being transferred directly to and administered by ODA. To maintain a streamlined program, the two agencies developed a process to jointly administer Weed Grants. ODA maintains technical oversight over the grants and works with grantees on project implementation (e.g., approves reports, reviews invoices, monitors projects, and approves payments). OWEB approves budgets, approves the grants that are recommended for funding, enters into grant agreements, completes the final review of all reports and receipts, and issues payments.

The 2011-2013 biennium was a transition period for the Weed Grant partnership. A Lean-Kaizen process was completed to identify strengths, challenges and redundancies in the process, and refinements to the process were made based on the lessons learned. ODA and OWEB staff have worked together to ensure grantees meet the requirements and standards of both agencies under the new Weed Grant process, and have improved communication between the agencies and local partners such as watershed councils, county weed programs, Cooperative Weed Management Areas, and soil and water conservation districts.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

The Weed Grant Program relates to Goal 1 (restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs) and Goal 3 (provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds) of the 2010 OWEB Strategic Plan. The program falls under the Open Solicitation component of OWEB's Long-Term Investment Strategy.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

Two program developments are relevant to the spending plan:

- 1) The Weed Grant program transitioned to a single cycle per year (as opposed to two cycles) beginning in 2013. This change created efficiencies for reporting and payments, and also gave grantees a full year of funding for on-the-ground work.
- 2) Substantial improvements have been made related to online reporting for Weed Grants. These improvements have created efficiencies for grantees by providing "prefilled" data for projects, and have improved the ability to query for data regarding restoration outputs that result from Weed Grant investments.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.000	0.000*
2011-2013	2.500	2.449
2013-2015	2.500	1.371**

* This item was not included in OWEB's spending plan prior to the 2011-13 biennium since funds were directly provided to ODA.

**Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Small Grant Program

Summary:

OWEB Small Grant Program funds are awarded biennially to cooperative partnerships of watershed councils, soil and water conservation districts and tribes. Twenty-eight teams in the state prioritize and implement smaller scale watershed restoration projects. Teams must select from an OWEB rule-defined list when identifying priority watershed concerns for their Small Grant Area. Priority concerns include fish passage; urban impact reduction; water quality and quantity/irrigation efficiency; road impact reduction; and instream, riparian, wetland, and upland process and function.

Small grants must be less than \$10,000, and are often the first grant a landowner may implement, leading to future restoration investments through the regular grant program.

Program History:

In 1999, OWEB investigated ways to be more responsive to small restoration projects. During this time the Oregon Legislature encouraged the agency to initiate a county-based, local cost-share program through a budget note in OWEB's legislative adopted budget.

In January 2002, the Board adopted administrative rules establishing a Small Grant Program (SGP) with the goal of supporting implementation of the Oregon Plan for Salmon and Watersheds by funding small, straightforward restoration projects designed to improve water quality, water quantity, and fish and wildlife habitat. These projects can often be implemented on a short turnaround. Such projects are to include, but are not limited to, those developed to address Total Maximum Daily Loads (TMDL's), Agriculture Water Quality Management Plans, urban nonpoint source pollution management plans, and the Board of Forestry's Forestry Program for Oregon.

The Board set boundaries for 28 geographic areas throughout the state. Within each area a Small Grant Team comprised of representatives from local watershed councils, soil and water conservation districts, and tribes, may form. Individual teams are guided by self-defined operating procedures and a list of watershed priorities and eligible project types, revisited biennially by teams. Since its inception the Board has allocated \$2.8 million (\$100,000 per team) per biennium to the program. Teams accept applications from within their boundaries for watershed restoration projects of \$10,000 or less. Team recommended applications and draft grant agreements are then sent to OWEB for review.

Teams must select from an OWEB rule-defined list when identifying priority watershed concerns for their Small Grant Area. Priority concerns include fish passage; urban impact reduction; water quality and quantity/irrigation efficiency; road impact reduction; and instream, riparian, wetland, and upland process and function. Projects must be implemented using established techniques with guidance from one of eight approved technical guidance source documents.

In January 2004 the Board revisited SGP rules, implementing changes that included requiring each Team have at least one actively participating watershed council representative and one soil and water conservation district representative to be eligible for funding. Rule changes also included limiting eligible

applicants to tribes, councils and districts who may act on behalf of landowners, non-profits, schools and government.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 Strategic Plan

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs.

Goal 4, Partnership Development: Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation.

Long-Term Investment Strategy: Open Solicitation:

The Small Grant Program offers Open Solicitation grants across the state for competitive proposals based on local ecological priorities. The program complements other OWEB grant offerings by providing a streamlined, locally driven application process, allowing for easier access to available grant funds.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

There have been no program changes in the last biennium. Benefits highlighted by the teams include: flexible, straightforward program; local review; quick turn-around; develops partnerships among watershed councils, SWCDs and tribes; develops landowner trust in government; builds strong relationships with landowners; develops partnerships with city, county, state and federal agencies and non-profits; aids the local economy by using local vendors and contractors; and leverages funding.

Through the Long-Term Investment Strategy framework, staff prioritized work on program changes and improvements. The focus in the 2013-15 biennium was completion of council capacity program changes and the development of the Focused Investment Partnership Program. The December 2012 proposed Long-Term Investment Strategy Direction included potential changes to the SGP, including increased funding and expanding the type of projects eligible for funding, in order to maintain statewide opportunities for Open Solicitation Investments. Given staff resources, it was proposed this review take place in 2015-17. Staff propose to initiate that process with the open solicitation committee.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	2.800	2.370
2011-2013	2.800	2.479
2013-2015	2.800	1.765*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Transfers to Other Agencies

Summary:

Historically, both the Legislature and Governor have directed OWEB to provide funding in support of various State programs and initiatives. OWEB also receives funds from state and federal sources that need Board approval for the distribution of the funds through OWEB's grant program to other entities.

Program History:

Historically, the Legislature has directed OWEB through its budget to distribute Pacific Coast Salmon Recovery Funding (PCSRF) to ODFW in support of the following programs: Fish Screening and Passage, Oregon Plan Monitoring, Western Oregon Stream Restoration, and Oregon Plan Implementation and Technical programs. Through OWEB's grant program, the Governor Office has supported OWEB funding the OSU Inter-Multidisciplinary Science Team (IMST) program and the Lower Columbia Estuary Partnership (LCEP).

OWEB also receives funding from a variety of state and federal sources to distribute through OWEB's grant programs. These funds vary from year to year; however, Board approval is necessary to distribute the funds. For example, OWEB has received funds every year since 2007 from the Pacific States Marine Fisheries Commission to distribute for the North Fork John Day Intensively Monitored Watershed Project.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs.

Goal 2, Local Infrastructure Development: Support an enduring, high-capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Goal 4, Partnership Development: Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation.

Long-Term Investment Strategy: Transfers to Other Agencies may involve Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

In the 2013-2015 biennium, OWEB has received funds from the Oregon Department of Forestry in support of Federal Forest Health Collaborative Capacity Assistance grant. This program is included in the 2015-2017 Governor's Recommended Budget (GRB). The GRB also defunds the IMST program and provides funding to develop a scientific review task force that will provide recommendations for the structure and form of an independent scientific review process that would be established in 2017. The Governor also encourages continuing to fund the LCEP program through OWEB's grant program.

Because the funding for these programs is generally legislatively or Governor- directed, a data table is not provided with this report.

Open Solicitation-Restoration

Summary:

Restoration grants are OWEB's primary method of delivering support for watershed projects that restore watershed functions. Restoration grants are offered twice per year, April and October, through a competitive granting program.

Program History:

Restoration grants that provide assistance to landowners to restore watershed health locally have been part of OWEB's history since its beginning in 1987 as the Governor's Watershed Enhancement Board. Initial investments were modest and focused on restoration demonstration projects. The number of projects and level of investment quickly increased as the Oregon Legislature and the public supported OWEB through Measures 66 then 76. At the same time, organizational capacity within watershed councils, Districts, and other groups to plan and implement projects grew, and landowners became engaged in implementing voluntary projects. Since 1999, approximately 43% of grants awarded have been restoration grants.

Restoration accomplishments in Oregon, including those funded by OWEB, have been reported through the Oregon Watershed Restoration Inventory (OWRI) since 1995. Over 15,815 projects have reported their accomplishments to OWRI (through 2013) for a total investment of \$695,592,530. Riparian, road, upland, fish passage, and instream restoration activities make up the largest number of projects, respectively. These projects have resulted in:

- 5,485 linear stream miles and 47,465 acres treated through riparian activities
- 1,096,180 acres treated through upland activities
- 3,105 road/stream crossings improved for fish passage and 3,871 miles of fish habitat made accessible due to crossing improvements
- 1,658 miles of stream treated through instream activities

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

Long-Term Investment Strategy: Open Solicitation

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

An OWEB initiative known as Continuous Improvement has been underway through the 2013-2015 biennium. This initiative includes the active evaluation of the OWEB grant application and review processes with staff, representative stakeholders, and review team members. The goals of this effort include: improving the quality, completeness, and accuracy of applications received; increasing efficiencies in project solicitation and review; increasing the diversity of expertise and participation in review teams; and enhancing the value of the grant review process by focusing the work on better gauging the watershed improvement outcomes likely to be obtained.

Application streamlining and online applications and grant agreements

This work has been informed by both an internal project team and an external stakeholder work group. The OWEB management team has approved streamlined applications for restoration, technical assistance and monitoring grants. An alpha test-version of the online grant application web interface has been completed and is undergoing further testing to ensure that the system is both technically functional from the perspective of applicants, grantees, reviewers and OWEB staff. The goal is to launch an online grant application/grant agreement web interface by October 2016.

Other continuous improvements

Improvements are being identified and incorporated incrementally with a goal of full implementation by October 2016. One example of implemented continuous improvement is applicants now have the option of emailing a PDF of their application to OWEB. This option was very popular during the October 2014 grant cycle, with 83% of applications submitted electronically. Beginning with the April 2015 grant cycle, signed grant agreements may also be returned to OWEB by emailing a PDF. Another example is OWEB is currently developing a training process for applicants. The first of these trainings, "*Do's and Don'ts of Successful Applications*", was held in March 2015. This webinar was designed to help applicants strengthen Restoration and Technical Assistance grant applications.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	32.700	31.681
2011-2013	28.950	29.221
2013-2015	27.720	20.468*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Open Solicitation-Technical Assistance

Summary:

Technical assistance grants are offered twice per year, April and October, through a competitive granting program. Technical assistance grants through the open solicitation process are capped at \$50,000.00 per grant.

Program History:

Since 1999, approximately 3% of grants awarded have been technical assistance grants. These grants play a key role in developing future restoration grant proposals and increase the capacity of OWEB's local partners to engage in project development, planning, design, coordination and permitting. There are three types of technical assistance grants typically offered.

Technical Assistance Type #1 is for development of a technical design for a specific restoration project addressing a locally acknowledged limiting factor or watershed restoration priority.

Technical Assistance Type #2 is for development of an implementation/analysis plan or for development of a project to address a locally acknowledged limiting factor(s) or watershed restoration priority(ies).

Technical Assistance Type #3 is for enrollment of landowners in an area-wide, cooperative conservation project, or in a state or federal landowner assistance program (e.g., EQIP, WRP, or WHIP) that addresses a locally acknowledged limiting factor(s) or watershed restoration priority(ies).

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

Goal 3, Public Awareness and Involvement: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Long-Term Investment Strategy: Open Solicitation

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

Continuous improvements over the 2013-2015 biennium have sought to add value and improve the quality of service OWEB provides, beginning with the Regular Grant Program. The intent of this work is to improve effectiveness and efficiency of the agency's grant-making process for applicants, grantees

and OWEB staff. Activities include application streamlining and development of online applications and grant agreements, as well as other continuous improvements. Please refer to the *April 2015 Spending Plan for Open Solicitation—Restoration* for more information.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	2.200	2.113
2011-2013	2.250	2.158
2013-2015	2.600	2.064*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Open Solicitation-Outreach

Summary:

Outreach grants are offered once per year in October through a competitive granting program for outreach activities necessary to protect or restore native fish and wildlife habitat, water quality, or stream flows.

Program History:

Since 1999, approximately 3% of grants awarded have been for outreach and education grants. Under Measure 66, these activities were funded through non-capital funds, which could be used for a variety of purposes that furthered the goals of improving water quality, recovering fish and wildlife, and enhancing watershed health.

Measure 76 changed the constitutional language regarding education and outreach grant offerings. Due to these changes, beginning with the October 2011 grant cycle, OWEB only offers outreach grants that are necessary for activities to protect or restore native fish and wildlife habitat, water quality, or stream flows. Grants that are for education only are not allowed under Measure 76 in the grant program.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

Goal 3, Public Awareness and Involvement: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Long-Term Investment Strategy: Open Solicitation

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

Continuous improvements over the 2013-2015 biennium have sought to add value and improve the quality of service OWEB provides, beginning with the Regular Grant Program. The intent of this work is to improve effectiveness and efficiency of the agency's grant-making process for applicants, grantees and OWEB staff. Activities include application streamlining and development of online applications and grant agreements, as well as other continuous improvements. Please refer to the *April 2015 Spending Plan for Open Solicitation—Restoration* for more information.

Through the Long-Term Investment Strategy framework, staff prioritized work on program changes and improvements. The focus in the 2013-15 biennium was completion of council capacity program changes and the development of the Focused Investment Partnership Program. As a part of the LTIS process, staff also identified the need to take a closer look at outreach grants and propose program adjustments as needed based on the LTIS and strategic plan. However, given staff resources, it was proposed this review take place in the 2015-17 biennium. Staff propose to initiate that process with the open solicitation committee in the new biennium.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.700	0.662
2011-2013	1.100	1.600
2013-2015	1.100	0.599*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Land and Water Acquisitions

Summary:

The Oregon Constitution specifies that OWEB may fund projects involving the acquisition of interests in land and water from willing sellers for the purpose of maintaining or restoring watersheds and habitat for native fish or wildlife. OWEB-funded interests in land and water may be held by a variety of entities—including, but not limited to local, state and federal agencies, tribes, and not-for-profit conservation organizations and land trust trusts—as the entity continues to use the land or water for the purposes specified in the constitution.

OWEB funds land and water acquisitions through several mechanisms: the purchase of property in fee simple, conservation easements on property, the purchase of permanent water rights, and water leases.

Program History:

Land Acquisitions: The Board began making land acquisition grants in 1998. Several grants were awarded during the first few years of the program. In 2000, interest in the program began growing significantly. During the 2011-2013 biennium, OWEB did not accept new land acquisition applications in order to allow staff to address a backlog of pending applications and awards. Over the same period, OWEB completed updates to the land acquisitions program, including revising administrative rules and refining the application and review processes for the program. To date, the Board has awarded nearly \$40 million in land acquisition grants, leveraging \$82 million in matching funds and protecting nearly 60,000 acres.

Water Acquisitions: The Board awarded its first water acquisition grant in 2001. Until 2010, only five grants were awarded, with a relatively small award amount for each project (i.e., less than \$40,000). Beginning in 2010, interest in water acquisition grants began to grow. This growth is largely attributed to two issues: 1) increased organizational capacity in select areas of the state to carry out water acquisition projects and programs and 2) increased concern about instream flow issues. Since 2010, the Board has awarded nearly \$3.15 million for water acquisition grants. As was the case with the land acquisitions program, during the 2011-2013 biennium, OWEB updated its administrative rules and program guidance for water acquisitions. To date, funding requests to OWEB have come from three primary locations in the state: the Deschutes, Klamath and mid-Columbia basins. These awards have supported a range of activities from permanent transfers and temporary leases of instream water rights to voluntary curtailments by irrigators.

Overall, the land and water acquisition programs currently account for approximately 10 percent of OWEB's biennial spending plan.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

Acquisition grants further the Strategic Plan's goal of sustaining resilient ecosystems (Goal 1, Adaptive Investment) by focusing on protecting, and facilitating the restoration of, watershed and ecosystem

functions and processes. The Board-adopted principles and priorities for land acquisition, which guide land acquisition funding decisions, are based in tenants of conservation science with a priority placed on protecting healthy, natural systems. OWEB's investments in water acquisitions are intended to address the conservation needs of native habitats and species or improve water quality. The acquisition programs also further the Strategic Plan's goal of building strong partnerships (Goal 4, Partnership Development) with entities around the state that are carrying out important watershed and habitat conservation through the use of land and water acquisitions. Acquisition grants are made through both OWEB's open solicitation and focused investment processes that are outlined in the Long-Term Investment Strategy.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

As mentioned above, OWEB's land and water acquisition programs were updated during the 2011-2013 biennium. Revised administrative rules for land and water acquisitions were approved by the Board in January 2013 and June 2013, respectively.

Land Acquisitions: The revised rules for the land acquisitions program included several significant changes: 1) use of grant funds – allows grant funds to be used for property purchase price and other costs associated with the acquisition (e.g., survey, appraisal, management plan); 2) revised components for the grant application process; and 3) a revised evaluation process, including reviews for ecological outcomes, project soundness, organizational capacity, and community benefits and impacts, along with public comment by interested parties.

The updated land acquisition solicitation and review process was implemented beginning with the October 2013 open solicitation grant cycle.

Water Acquisitions: The revised rules for the water acquisitions program made multiple updates to the program's structure, including, but not limited to: 1) transitioning from a focus on applications that propose individual water acquisition projects to those that propose comprehensive water acquisition programs; 2) broadening the potential interests in water that may be considered for funding under water acquisition grants; 3) expanding eligible costs that can be covered with OWEB funds; and 4) creating opportunities for coordinating and partnering with other funders of water acquisitions.

In January 2014, the Board approved guidance for water acquisition grant-making, including a coordinated funder-based framework for soliciting, reviewing and coordinating investments for proposals for water acquisition programs in conjunction with other funders. OWEB is using the 2013-2015 biennium to pilot test this framework.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	6.300	4.430
2011-2013	6.650	3.993
2013-2015	8.000	4.463

Focused Investment Partnerships Program

Summary:

The OWEB Board has established a process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state, and will approve the first set of priorities in April of 2015. Within those priorities, the Board will solicit for Focused Investment Partnerships, one of several forms of focused investments. A Focused Investment Partnership is an OWEB investment that:

- Addresses a Board-identified Focused Investment Priority of significance to the state;
- Achieves clear and measurable *ecological outcomes*;
- Uses integrated, results-oriented *approaches* as identified through a *strategic action plan*;
- Is implemented by a high-performing *partnership*.

OWEB's first Focused Investment Partnerships will be awarded in January of 2016.

Program History:

OWEB began its current partnership investments in 2006 with the Whole Watersheds Restoration Initiative, a multi-agency, cooperative funding grant program to restore salmon habitat. This investment was followed by several Special Investment Partnerships (SIPs). The Deschutes SIP is a four-way implementer partnership to provide habitat and passage for Chinook salmon and steelhead above the Pelton-Round Butte dam complex. The Willamette SIP is a funder-led initiative in targeted areas along the Willamette River mainstem and in the 13 sub-watersheds that comprise the Model Watershed Program. The Upper Klamath SIP is a multi-practitioner effort to reestablish, improve, and sustain the ecological and hydrologic connectivity of aquatic ecosystems in the Upper Klamath Basin.

By 2012, the Board expressed a desire for clearer understanding of the purpose, outcomes, costs, and time horizons for its partnership investments. In late 2012, OWEB staff and the then-Partnerships Subcommittee developed a process for increasing program transparency and understanding. To this end, staff and the subcommittee developed tools to assist the Board in better understanding the status of the existing partnership investments and benefits of the investment in these initiatives.

In June of 2013, the OWEB Board approved its Long-Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring. At that time, no formal definition, process or solicitation approach for the program existed. In October of 2013, OWEB initiated a nine-month process to develop the definition, criteria, and program design (including solicitation approach and process) for the Focused Investment Partnership category in the Long-Term Investment Strategy. This was followed by initiation of an 18-month process to set priorities and solicit for investments within the program.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

Focused Investment Partnerships connect to Goal 1: restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs; and Goal 4: build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation.

As defined by the OWEB Board within the Long Term Investment Strategy Framework, Focused Investments support collaboratively prioritized ecological outcomes selected by the Board; are outcomes based and measured; commit funding for multiple years; and leverage cooperative funding opportunities. Focused Investment Partnerships are a core component within the Board's Long-Term Investment Strategy.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

The Board adopted a definition, criteria and solicitation approach for Focused Investment Partnerships in July of 2014. The two-phase process for the Focused Investment Partnership program includes: 1) Priority-setting by the Board for Focused Investment Partnerships, which will conclude in April of 2015, and 2) Solicitation for Focused Investment Partnerships. These two phases are distinct and sequenced, with the Board first setting priorities that have clear ecological significance to the state, then soliciting for partnership proposals within the broader priorities set by the Board.

The first solicitation for Focused Investment Partnerships will commence in May of 2015, with the first Focused Investment Partnerships awarded by the Board in January of 2016. Two offerings exist within the Focused Investment Partnerships program: 1) Capacity-Building, which will provide investments of up to two years and \$150,000 that support existing partnerships within Board-identified priorities, and 2) Implementation, which will provide investments focused primarily on on-the-ground restoration and conservation that will occur over a maximum of six years and will average \$2 million per biennium (with a cap of \$4 million per biennium).

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	4.500	4.417
2011-2013	8.900	9.038
2013-2015	8.300	6.517*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Oregon Plan-Governor's Priorities

Summary:

The Oregon Plan-Governor's Priorities spending plan line item supports work within the sideboards of Ballot Measure 76 that further priority programs and initiatives related to restoration in Oregon. Typically, these investments address landscape-scale or emerging issues related to restoration needs of importance identified either through the Oregon Plan for Salmon and Watersheds or by the Governor's Office. Grant investments are targeted and catalyze broad-scale, multi-organizational work.

Program History:

Under Ballot Measure 76, OWEB's funding has flexibility to address a range of needs that ultimately lead to on-the-ground restoration work. This, combined with Oregon's approach to addressing broad-scale initiatives through multi-organizational partnerships, has resulted in the use of OWEB funding as a catalyst to support emerging or particularly complex natural resource challenges and opportunities.

These investments have varied over time and include:

- Support for initial work of forest-health collaboratives, including statewide coordination, technical support for local collaboratives, and planning and implementation support for these groups.
- Partnerships with the National Fish and Wildlife Foundation (NFWF) to support on-the-ground investments in Salmon Stronghold projects. This work led to a multi-organizational partnership to develop a Coastal Coho Business Plan and component action plans in three local watersheds – a partnership with NFWF, the Wild Salmon Center, NOAA and Oregon Department of Fish and Wildlife. Both efforts were funded through this line item.
- Support for Oregon's Sage-Grouse Plan, including convening partners to develop strategies for successful restoration programs, as well as GIS and other data gathering and analysis. It is expected strategic technical assistance investments will continue as the plan is developed and implemented.
- Support for development of a federal, state, and local agency and organization partnership focused on clean water. The partnership will include a comprehensive framework that will directly support implementation of riparian restoration projects. The partnership includes development of baseline information, implementation of projects in priority areas, monitoring and adaptive management.

These types of investments are unique in that they address both technical assistance and restoration needs while focusing on areas of importance to both the Oregon Plan and Governor's Priorities.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

Goal 1: Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs.

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Goal 4: Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation.

In June of 2013, the OWEB Board approved its Long-Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring. During that time, the Board also discussed the potential for other program areas, including Emerging Investments, which would likely be contained within the Focused Investment portion of the framework. As described, those investments are similar in nature to the current Oregon Plan-Governor's Priorities line item.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

In the last biennium, the Board has invested in three initiatives through this spending plan line item:

- Oregon's Sage Grouse Action Plan – funding for data gathering, analysis and development of Oregon's Sage Grouse Action Plan; funding for local technical assistance and planning - \$345,000;
- Coastal Coho Business Plan – support for multi-organizational business-planning effort in three selected watersheds along the Oregon Coast - \$350,000
- Klamath - capacity support to assist with near-term formation needs of the Landowner Entity, including organizational structuring and governance and associated development services - \$30,000
- Clean Water Partnership – support for a comprehensive framework that will directly support implementation of riparian restoration projects; additional \$100,000 to be requested at April board meeting through Agenda Item M for a total of \$250,000; and
- Working Farms and Forestlands – support for statewide working lands conservation easements - \$25,000 to be requested at April board meeting through Agenda Item M.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.250	0.057
2011-2013	2.250	1.245
2013-2015	1.000	0.330*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Open Solicitation Monitoring Grants

Summary:

Open Solicitation Monitoring Grants are awarded once per year in the October grant cycle. Grants can be used to assist local partnerships: assess the watershed conditions to determine the quality of the existing environment; identify the causes for declines in habitat, fish and wildlife populations and water quality; and develop locally integrated action plans for watersheds that will achieve protection and restoration objectives. This funding also assists local partnerships monitor to ensure implementation of the integrated watershed action plans using an adaptive management approach to make appropriate changes in action plans and goals, as needed. Typical monitoring projects funded through this program include long-term ongoing monitoring projects such as Partnership for the Umpqua Rivers' "Umpqua Basin Collaborative Monitoring Project" and the Grande Ronde Model Watershed's "Grande Ronde Basin Stream Flow Gaging Stations Operation". It is important to note that sufficient funds were available to fund all of the monitoring grant proposals that were recommended for funding by the Regional Review Teams.

Grantees can also request Effectiveness Monitoring funding as a part of their restoration applications. In this case, funding is provided to determine if the restoration project is effective at meeting its biological and ecological objectives. These Effectiveness Monitoring "splits" are funded out of the available funds for restoration grants. However, they are reported in the table below to reflect total funds allocated to perform monitoring activities. Effectiveness monitoring is not a specific requirement of any OWEB grant, and is above and beyond compliance monitoring. This information is helpful in assisting the restoration practitioner and OWEB determine the biotic and abiotic changes on the treatment area to determine if restoration actions were effective in meeting the objective, and to learn from the restoration actions and to incorporate new knowledge in future treatment design. The project level effectiveness monitoring grants that OWEB has funded are as diverse as the restoration grants. Some notable Effectiveness Monitoring projects funded this biennium include a tide gate replacement project in Region 1, a side channel enhancement project in Region 4 and a noxious plant treatment project in Region 6.

Program History:

Senate Bill 945 directs OWEB to develop and implement a statewide Monitoring Program in coordination with state natural resource agencies for activities conducted under the Oregon Plan for Salmon and Watersheds. As a part of this work, OWEB developed the Oregon Plan for Salmon and Watersheds Monitoring Strategy document which describes an overall framework for structuring this cooperative effort and provides direction to help integrate Oregon Plan programs and monitoring with region-wide watershed enhancement and salmon recovery efforts. These monitoring grants assist OWEB in meeting its responsibility for three interrelated monitoring functions:

- strategic guidance and support for cooperative monitoring activities
- accountability for restoration investments
- reporting on the progress of the Oregon Plan

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs.

Goal 3, Public Awareness and Involvement: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Long-Term Investment Strategy:

Open Solicitation

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

Effectiveness Monitoring

OWEB evaluates and reports on the progress and outcomes of watershed work it supports

Program Developments in the Last Biennium Pertinent to the Spending Plan:

The Effectiveness Monitoring (EM) Coordinator has been assisting the Regional Review Teams assess monitoring and effectiveness monitoring grant applications. Staff has convened the Oregon Plan Monitoring Team (OPMT) to discuss the technical merits and potential benefits of the monitoring grants that were submitted in the October 2013 and 2014 regular grant cycles. This information was provided in advance of review team meetings to assist in decisions regarding funding for monitoring grants. OWEB Monitoring and Reporting staff attended review team meetings to respond to any questions or concerns related to monitoring applications.

Staff will continue to build on these developments in the next biennium to work with the Monitoring and Research Board Subcommittee to begin to identify if there should be specific restoration types, geographies, grantees or other prioritization criteria to be the focal point of effectiveness monitoring that is funded through the Open Solicitation grant program. This process will require extensive work with staff currently working in the Monitoring and Reporting Section and the Grant Program Sections. Moving forward as part of the on-line application development process, EM splits will be funded under the open solicitation monitoring grant process.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	1.861	1.189
2011-2013	2.500	2.910
2013-2015	2.500	1.217*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Open and Focused Effectiveness Monitoring

Summary:

Open Effectiveness Monitoring involves OWEB lead initiatives that evaluate specific types of restoration actions at a larger geographic and temporal scale rather than at the project scale. These initiatives consist of evaluating the effectiveness of OWEB-funded watershed restoration and enhancement projects and programs. Staff also participate in cross-agency teams to evaluate programs and projects that share common goals and objectives. These can be funded from a variety of state and federal sources.

Focused Effectiveness Monitoring involves evaluating the focused investment concept of dedicating funding to specific actions in a particular geographic area such as the Special Investment Partnerships or future Focused Investment Partnerships.

Capacity Effectiveness Monitoring will evaluate other OWEB-funded initiatives that support restoration actions on the ground such as the council capacity funding.

In all cases for effectiveness monitoring, this work is designed to create a base level of understanding about a type of restoration action or program's performance, challenges and successes in order to build a foundation for future policy and program decisions.

Program History:

In September 2004, the Board authorized the initial concepts of an effectiveness monitoring program, which included an effectiveness monitoring workshop, independent review of completed restoration projects, watershed scale studies, modeling future alternatives, and a specific focus on juniper and irrigation efficiency projects. In 2005 and 2006, much of this work was accomplished, including the hiring of a new position within the agency—an effectiveness monitoring coordinator. During the Board's planning session in July 2007, a new approach to vetting ideas for OWEB's program direction was formed through the establishment and use of Board subcommittees. One such subcommittee, the Monitoring and Research Subcommittee, developed a strategic direction and approach to creating a fully rounded effectiveness monitoring program. This approach included the identification of specific scales at which to conduct monitoring and certain prioritized project types, and was adopted by the Board in 2008.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy: 2010 OWEB Strategic Plan:

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs.

Strategy 2: Implement monitoring and research programs to build knowledge and strengthen feedback about OWEB investments and critical uncertainties to support adaptive management for outcome improvements.

Goal 3, Public Awareness and Involvement: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Strategy 1: Make Oregonians aware of the importance of healthy watersheds and inform them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others.

Strategy 2: Encourage and facilitate greater exploration and knowledge for those Oregonians who seek greater involvement in watershed and habitat restoration and conservation.

Long-Term Investment Strategy:

The LTIS framework assumes that effectiveness monitoring will occur across all investment types (open solicitation, focused investments and capacity). Since that time, staff developed implementation work plans and schedules with a specific focus on effectiveness monitoring products that will serve the needs of the agency moving forward.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

Staff has made considerable progress implementing the work plans in the 2013-2015 biennium. There are three program developments that are pertinent to the spending plan. First, the Board awarded \$250,000 toward the CREP effort at its April 2014 meeting. The CREP study plan has been drafted, an advisory team has been established, the first tier of evaluation using existing data has been initiated, and a Memorandum of Understanding (MOU) has been signed with the Farm Services Agency (FSA) to facilitate data sharing in March 2015. This MOU will allow FSA to share data with OWEB so the Conservation Reserve Enhancement Program (CREP) study design can be implemented.

Second, staff continues to progress the Upper Middle Fork John Day River Intensively Monitored Watershed (IMW). In addition to direct PCSRF monitoring investments, the Board has provided \$97,456 this biennium to fund critical aspects of this large study that are not funded with the Pacific States Marine Fisheries Commission (PSMFC) contributions due to their limited availability.

Finally, staff has developed a draft framework for the Board to understand and evaluate the extent of progress made for existing Special Investment Partnerships (SIPs). Staff has been working with management, our Partners and the Board to develop this framework. This framework will guide how FIP's progress is assessed and reported to the Board in the future.

The Effectiveness Monitoring Program will continue to build on these developments in the next biennium. Staff will implement and manage the CREP effectiveness evaluation and advisory group in 2015 and 2016 with the goal of completing Tiers 1 and 2 of the plan to the extent possible given field work limitations. Staff will continue to manage and develop grants and contracts for priority work and to provide leadership and participation in various subcommittees associated with the IMW. In coordination with partnership staff will complete the effectiveness evaluation reports for the Deschutes, Willamette and Upper Klamath SIPs. In addition staff will be working with the Partnership Program and Board to establish effectiveness monitoring programs within each of the new Focused Investment Partnerships. Staff will develop work plans for priority programmatic effectiveness monitoring efforts for riparian, coastal wetland and tidegates, floodplain restoration and council capacity investments. This process will establish the priorities that can be realistically achieved in the next biennium and which ones should be pursued in the 2017-2019 biennium.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.270	0.705
2011-2013	1.000	0.328
2013-2015	1.000	0.652*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Renee Davis, Deputy Director
SUBJECT: **Agenda Item M: Focused Investment Partnership Priority-Setting and Solicitation Process**
April 28-29, 2015 OWEB Board Meeting

I. Introduction

This staff report updates the Board about the status of the Focused Investment Partnership process to date, presents Focused Investment Partnership Priorities for the Board's consideration, and recommends minor changes to the 2015-2017 Focused Investment Partnership solicitation process. The report reflects feedback provided by the Board at its March 2015 meeting about both items.

II. Background

In June 2013, the Board approved its Long-Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

Though OWEB has participated in efforts similar to 'focused investments' in the past, there has been no formal definition, process or solicitation approach for the program. In October of 2013, OWEB kicked off a nine-month process to develop the definition, criteria, and program design (including solicitation approach and process) for the Focused Investment category of OWEB funding. The process involved external stakeholder and internal staff work groups that provided input to the Board regarding the design and implementation of the program. The initial nine-month process included the following milestones and opportunities for public comment:

- January 2014 Board Meeting (Portland) – Board reviewed draft documents and solicited public comment; work groups then continued design process.
- March 2014 (all six OWEB regions) – OWEB staff held listening sessions in all regions of the state to receive input on the first draft of the solicitation process for Focused Investment Partnerships.
- April 2014 Board Meeting (Bandon) – Board received public comment on the draft solicitation process and other aspects of the Focused Investment Partnerships program as outlined above.
- July 2014 Board Meeting (The Dalles) – Board approved definition, criteria, solicitation approach, timeline and priority selection processes.

Attachment A describes the definition, criteria and solicitation approach the Board adopted in July 2014. The document describes a two-phase process for the Focused Investment Partnership program: 1) Priority-setting by the Board for Focused Investment Partnerships and 2) Solicitation for Focused Investment Partnerships. These two phases are distinct and sequenced, with the Board first setting priorities that have clear ecological significance to the state, then soliciting for proposals within the priorities.

III. Focused Investment Partnership Priority Setting Process to Date

The Board then initiated a nine-month priority-setting process at their July 2014 Board meeting. This phase will conclude in April 2015 with the selection of Focused Investment Partnership Priorities for use during the first solicitation for Focused Investment Partnerships, to begin in May 2015.

Attachment B describes the evolution of the priority themes that occurred during this process. Between August and October 2014, the Board solicited input from stakeholders around the state about priorities, and received 42 submissions. Following submission of these priority suggestions, staff and the Board Subcommittee on Focused Investments reviewed input and grouped related submissions into 12 priority theme areas. This grouping assisted technical experts convened to answer questions and provide feedback to the Board to inform its deliberations about priorities of significance to the state.

At the January 2015 meeting, staff presented the 12 priority themes (see Attachment B), and the Board received public comment. The Board discussed both broad issues related to priority setting (e.g., how to leverage previous work to identify limiting factors for habitats/species of interest, at what scale can priorities be set to help achieve ecological outcomes of significance to the state) and specific questions about each of the 12 priority theme areas. The Board also considered other options for organizing the priority themes that would result in a more defined focus on 1) habitat, 2) species supported by these habitats, 3) primary limiting factors for these habitats and species, and 4) actions that can be taken to address the limiting factors.

Ultimately the Board discussed reframing the themes into seven areas: 1) Sage-grouse/Sage-steppe Habitat; 2) Dryside Forest habitat; 3) Oak Woodland Habitat; 4) Closed Basin Wetland Habitat; 5) Coastal Coho Habitat and Populations; 6) Inland Anadromous Fish Habitat and Populations; and 7) Inland Non-Anadromous Fish Habitat and Populations.

Following the January Board meeting, staff worked with the Focused Investment Subcommittee and technical experts to flesh out the priority themes. Based on this additional input from experts, staff refined the thematic titles for six priority categories: 1) Sagebrush/Sage-steppe Habitat; 2) Oregon Closed Lakes Basin Wetland Habitat; 3) Dryside Forest Habitat; 4) Oak Woodland and Prairie Habitat; 5) Coastal Coho Habitat and Populations; and 6) Inland Aquatic Habitat for Native Fish Species (see Attachment B). In preparation for the March Board meeting, staff prepared summaries for the six

themes and developed a crosswalk of how the 42 priority suggestions crosswalk into the six thematic categories listed above (see the crosswalk in Attachment B).

The summaries listed the habitat type, highlighted the key species of interest/significance to the state which depend on this habitat, listed the key limiting factors for the habitat and/or species, and denoted the major conservation and recovery plans that outline limiting factors and the priority actions needed to address the limiting factors. At the March meeting, the Board directed staff to reach out to experts to develop maps and identify additional information needed for Board consideration. In addition, the Board instructed staff to develop a draft Priority for estuary habitat for their consideration.

IV. Draft Priorities for Board Decision-Making

At the April meeting, the Board will consider Focused Investment Partnership Priorities for the 2015-2017 biennium, including a review and public comment. Attachments C1-C7 are the seven draft Priorities for consideration by the Board with additional information as identified in section III. The seven draft Priorities are:

- 1) Sagebrush/Sage-steppe Habitat,
- 2) Oregon Closed Lakes Basin Wetland Habitat,
- 3) Dry-Type Forest Habitat,
- 4) Oak Woodland and Prairie Habitat,
- 5) Coastal Coho Habitat and Populations,
- 6) Inland Aquatic Habitat for Native Fish Species, and
- 7) Coastal Estuaries.

V. Board Focused Investment Partnership Decision-Making Process

In October 2014, the Board approved an outline and schedule of the solicitation process for Focused Investment Partnerships that was developed by the staff, the Focused Investment Partnership work group, and the Board Subcommittee on Focused Investments. The process is outlined in Attachment D.

At the March 2015 meeting, stakeholders requested the Board and staff be clear about their expectations for potential Focused Investment Partnerships so that local partnerships can select the appropriate path (i.e., capacity building vs. implementation funding) when applying to the program. Given that this is a new program, the approach would enable partnerships to avoid spending time applying if their partnerships are not yet ready for the program. The Board further discussed this topic, and directed staff to revise the outline and schedule of the solicitation process for Focused Investment Partnerships that was approved in October 2014. Three items in the schedule were revised: 1) adding a pre-application consultation requirement for Implementation funding; 2) adding an update to the Board about the solicitation process at the July 2015 meeting; and 3) correcting dates listed in the previous version so that deadlines do not occur on weekends. Attachment D shows a revised version of the outline and schedule for Board approval.

VI. Recommendation

Staff requests the Board approve:

- A. Focused Investment Partnership Priorities for 2015-2017 as described in Attachments C1-C7 of the staff report; and
- B. A revised solicitation timeline for the Focused Investment Partnership program as described in Attachment D of the staff report.

Attachments

- A. Focused Investment Partnership Program definition and program design document
- B. Evolution of the Focused Investment Partnership Priority Themes and Draft Priorities, October 2014-April 2015
- C. Drafts of the Seven Focused Investment Partnership Priorities
- D. Revised Focused Investment Partnership Program solicitation timeline

Focused Investment Partnerships

Definition, Criteria and Solicitation Approach

The OWEB Board will establish a process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state. Within those priorities, the Board will solicit for Focused Investment Partnerships, one of several forms of focused investments.

Focused Investment Partnership Definition

A Focused Investment Partnership is an OWEB investment that:

- Addresses a Board-identified Focused Investment Priority of significance to the state;
- Achieves clear and measurable *ecological outcomes*;
- Uses integrated, results-oriented *approaches* as identified through a *strategic action plan*;
- Is implemented by a high-performing *partnership*.

OWEB's Focused Investment Partnership investments will be made in two categories:

- 1) Focused Investment Partnership Implementation - For an investment with an existing strategic action plan that is ready for implementation, a Focused Investment will be made by OWEB for a defined dollar amount over a limited time. Partnerships may apply subsequently for a different Focused Investment Partnership program in the same or a different Board-identified Focused Investment Priority.
- 2) Focused Investment Partnership Capacity-Building - The Board will also provide two-year funding for partnerships who are prospective FIP applicants to strengthen their capacity and to strengthen strategic action plans for a Focused Investment priority.

Criteria Categories *The definition is further refined by criteria in the following categories that will be used by the OWEB Board to select investments.*

Focused Investment Partnerships will have both limited funding and duration. As such, groups selected for a Focused Investment Partnership will need to demonstrate that their Focused Investment Partnership programs meet a high standard of achievement. Board investments will be determined within the following criteria categories:

- 1) Significant, clear and measurable *ecological outcomes* that address a Board-Identified Focused Investment Priority.
- 2) The partners must have an existing *strategic action plan* that employs integrated, results-oriented *approaches*. The strategic action plan will:
 - a) Clearly define the measurable ecological outcomes as identified above, ensuring they are reasonable given resources and constraints.
 - b) Clearly articulate achievable goals, an identified geography and a realistic scale and time period for the program.
 - c) Identify the metrics, milestones and established benchmarks for success for the outcomes.
 - d) Utilize an adaptive management approach. This includes measuring and monitoring progress including monitoring procedures to evaluate the success of goals and objectives described in the strategic action plan.
 - e) The plan must also include communication strategies with funders and others regarding the plan's progress toward implementation.

The strategic action plan and any associated OWEB requests for funding must be realistic in terms of conservation impact, outcomes, partnerships and effectiveness monitoring.

- 3) The applicants must clearly demonstrate the *Partners* involved are necessary and sufficient to implement the program outlined in the strategic action plan. Partners must have formed a productive partnership that includes:
- a) Defined relationships that clearly describes the roles and responsibilities of each partner.
 - b) Demonstrated capacity to:
 1. Take on their identified roles and operate under a common vision;
 2. Implement conservation work at a scale larger than a single project;
 3. Realistically accomplish the identified ecological outcomes.
 - c) A clear link that shows the outcomes are within each organization's mission and scope
 - d) A demonstrated strong record of conservation achievement by the partners individually and collectively.

The partnership must also leverage OWEB funding with other resources. This may be achieved by recruiting funding partners, or by accessing other resources critical to implementation.

Solicitation Approach

OWEB is developing three processes for Focused Investment Prioritization, Partnership Capacity and Implementation solicitation. The priority selection process will be completed before solicitation for programs can begin. The program selections (2&3 below) will run simultaneously.

- 1) A Board process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state, drawing from proposals by groups, organizations, state and federal agencies, individuals, OWEB, the Governor's office, Oregon Tribes, and others. Proposed priorities should be based on sources such as the state's Conservation Strategy, the Oregon Plan for Salmon and Watersheds, Governor's priorities, the Agricultural Water Quality Program, the Integrated Water Resources Strategy, recovery plans, etc. The Board will review priorities each biennium to consider adding new priorities and ensure the existing priorities continue to be important.

Process for selecting each of the OWEB Focused Investment Partnership types:

- 2) Capacity-Building - A process for selecting among proposals for investments up to two years that support existing partnerships within Board-identified priorities to:
 - a) Enhance or strengthen a strategic action plan for a Focused Investment Priority; and/or
 - b) Strengthen the capacity of existing partnerships. Applications must:
 - Demonstrate a strong commitment of the partners to meet the Focused Investment criteria in the future, and
 - Clearly identify how this funding will help them achieve the steps to meet Focused Investment Partnership criteria.

NOTE: Receipt of Capacity funding does not guarantee Focused Investment Implementation funding from OWEB.

- 3) Implementation - A process for selecting applications for Focused Investment Partnerships funding as outlined in the criteria, in which applicants must:
 - Identify the Focused Investment Priority the proposal addresses
 - Provide a strategic action plan
 - Demonstrate partnership capacity

OWEB Board Priority-Setting Process October 2014 – April 2015

42 Suggestions for Focused Investment Priorities -- October 2014

Staff received 42 priority suggestions from interested groups around the state.



12 Geographic/Habitat-Based Themes -- October 2014

Staff grouped the 42 priority proposals into 12 mainly geographic themes to assist the Board with having a focused discussion around priority-setting at its January 2015 meeting in Astoria. Staff met with small groups of “experts” for each of the 12 themes, then prepared brief summaries for each theme. The twelve themes were:

- | | |
|--|--|
| 1 – Oak Woodlands | 7 – Deschutes Aquatic Habitat |
| 2 – Closed Basin Wetland/SONEC | 8 – Grande Ronde Native Fish |
| 3 – Sage-Steppe/Sage Grouse | 9 – Willamette Basin Aquatic Habitat and Water Quality |
| 4 – Lower Columbia Native Fish Habitat | 10 – Oregon Coast |
| 5 – U. Klamath Native Fish Habitat and Water Quality | 11 – Dryside Forests |
| 6 – John Day Native Fish Habitat | 12 – Cross-Theme |



7 Habitat/Species-Based Themes -- January 2015

At the January 2015 meeting, the Board reframed the priority themes from a more geographically oriented focus to a habitat based focus. The end result was seven broad habitat based themes:

- | | |
|--|-------------------------------------|
| 1 –Coastal coho habitat and populations | 5 – Sage-steppe/Sage-grouse habitat |
| 2 –Inland native non-anadromous fish habitat and populations | 6 – Dryside forest habitat |
| 3 –Inland anadromous fish habitat and populations | 7 – Oak woodland habitat |
| 4 – Closed Basin wetland habitat | |



6 Habitat/Species-Based Themes -- March 2015

In preparation for the March 2015 special Board meeting, staff met with fish experts to discuss the aquatic habitat themes (i.e., themes 1-3 above). Experts recommended combining 2 and 3 above into one thematic category, given that anadromous and non-anadromous species often use the same inland aquatic habitats and share limiting factors. The six themes are:

- | | |
|---|--|
| 1 – Sagebrush/Sage-steppe Habitat | 4 – Oak Woodland and Prairie Habitat |
| 2 – Oregon Closed Lakes Basin Wetland Habitat | 5 – Coastal Coho Habitat and Populations |
| 3 – Dryside Forest Habitat | 6 – Inland Aquatic Habitat for Native Fish Species |

7 Habitat/Species-Based Themes -- April 2015

At the March 2015 special meeting, the Board instructed staff to retain the existing six themes, revise the existing theme summaries based on Board input, and develop draft Focused Investment Partnership Priorities for consideration by the Board in April 2015. The seven draft Priorities are:

- | | |
|---|--|
| 1 – Sagebrush/Sage-steppe Habitat | 5 – Oregon Coastal Coho Habitat and Populations |
| 2 – Oregon Closed Lakes Basin Wetland Habitat | 6 – Inland Aquatic Habitat for Native Fish Species |
| 3 – Dry-Type Forest Habitat | 7 – Coastal Estuaries |
| 4 – Oak Woodland and Prairie Habitat | |

**PREPARED FOR MARCH 2015 BOARD MEETING –
Cross-Walk of All Priority Proposal Submissions with the Six Thematic Categories**

NOTE: At the request of the OWEB Board, staff cross-walked the 42 priority proposal submissions into the six thematic categories discussed at the March 2015 Board meeting.

Organizing Theme for Priorities
Suggested Priority Ideas submitted as part of OWEB's 2014 Priority Input Process (see http://www.oregon.gov/OWEB/Pages/FIP-Proposed-Priorities.aspx for more information)
Dryside Forest Habitat
Restoration of dry-mixed conifer forests
Inland Aquatic Habitat for Native Fish Species
Assessments of water utilities and irrigation districts
Fish and wildlife habitat connectivity
Fish passage restoration
Conserving a unique spring-fed river system
Lower Deschutes salmon and steelhead stronghold
Salmon and steelhead reintroduction in the Deschutes River Basin
Upper Grande Ronde native fish habitat
Accelerated restoration in the Upper North Fork John Day
Instream habitat and upland plant communities of the John Day Basin
John Day Basin cold water salmonid habitat
John Day Basin restoration of aquatic and upland habitats
Lower John Day River whole watersheds restoration initiative
Restoration of habitats in the John Day River Basin
Chum conservation
Hood River salmon, steelhead, and bull trout habitat
Sandy River Basin initiative
Rogue Basin native fish population, capacity building
Rogue River stream corridors
Umpqua and Rogue River basins native fish habitat: Lamprey
Aquatic ecosystems in Upper Klamath Basin
Governor's water quality priority: Upper Klamath Basin
McKenzie River conservation of native fish, wildlife and other natural resources
Oregon's river/Our river: Willamette Basin rivers, streams and riparian forests
Governor's water quality priority: Willamette Basin
Oak Woodland and Prairie Habitat
East Cascades oak woodlands
Oak woodlands in southern Oregon
Willamette Valley oak and prairie habitats
Oregon Closed Lakes Basin Wetland Habitat
Harney Basin wetlands
SONEC basin floodplains
Fish and wildlife habitat connectivity
Fish passage restoration
Coastal Coho Habitat and Populations
Fish and wildlife habitat connectivity
Fish passage restoration
Protecting Oregon estuaries from climate change
Governor's priority: Coastal Coho
Integrated land stewardship for salmon, Cape Blanco area
Oregon Coast Coho
Oregon Coast estuarine habitats
Oregon Coastal Coho habitat, with focus on family, forests, and farms
Reigniting the Oregon Plan: Achieving restoration-scale in coastal sedimentary basins
Rogue Basin native fish population, capacity building
Rogue River stream corridors
Tillamook-Nestucca fish passage partnership
Upland/Riparian restoration in the coastal ecoregion
Wild rivers coast estuaries
Sagebrush/Sage-steppe Habitat
Governor's priority: Sage Steppe
Oregon model to protect sage grouse

SAGEBRUSH/SAGE-STEPPE HABITAT

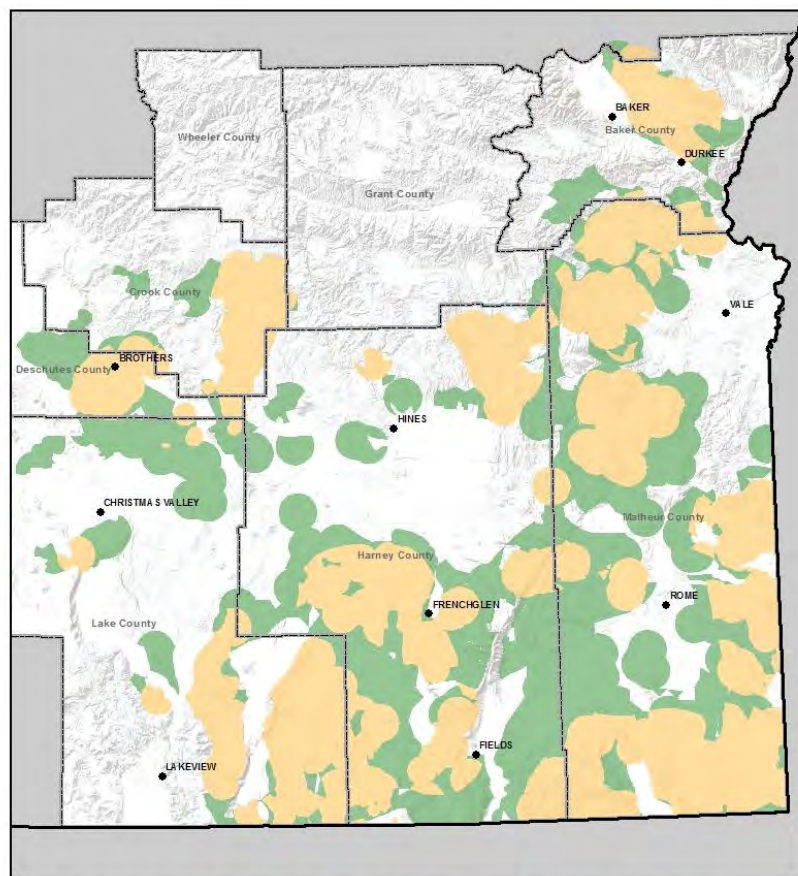
Summary Statement of Priority

The OWEB Board will consider proposals for investment in **sagebrush/sage-steppe habitat** for initiatives that address habitat conservation and restoration needs to achieve ecological outcomes over time at the landscape scale¹.

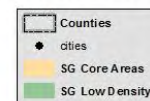
OWEB's Focused Investment Priority for sagebrush/sage-steppe habitat guides voluntary actions that address primary ecological threats and limiting factors related to the quality of this habitat type. These actions also will support and/or improve ecosystem functions and processes, including those required by Greater sage-grouse, which is an indicator species for this habitat type. **These actions will be guided by the habitat and population objectives set forth in the State's sage-grouse strategy and the combined ecological and social outcomes described in the State's "Oregon Sage Grouse Action Plan" which are listed on page two of this document.**

Focal areas for this Priority are Priority Areas for Conservation (PACs) and the important connectivity corridors between these areas (see explanation and map). PACs do not represent individual populations, but rather key areas that have been identified as crucial to ensure adequate representation, redundancy, and resilience for conservation of its associated population or populations. Oregon Department of Fish and Wildlife's (ODFW's) sage-grouse strategy identifies core areas of habitat that align with U.S. Fish and Wildlife Service's (FWS's) PAC habitats. The core area approach uses biological information to identify important habitats with the objective of protecting the highest density breeding areas.

Landscape-scale sage-grouse conservation is critically important in Oregon as the



Sage Grouse Core and Low Density Areas



¹ The landscape scale refers to the scale at which environmental, economic, and social factors intersect.

habitat present here, along with that in southwest Idaho and northeast Nevada, has been identified by FWS as one of two sage-grouse ‘strongholds’ in the U.S. These sage-grouse strongholds are distinguished primarily as those areas that contain the highest densities of birds, are the most resistant and resilient to invasive species and altered fire regimes, and are the least vulnerable to impacts associated with the onset of climate change.

Background

Where it occurs – Sage-steppe habitat occurs throughout eastern Oregon and in parts of Central Oregon. Several ecoregions identified in the Oregon Conservation Strategy (i.e., Northern Basin and Range, Blue Mountains, Columbia Plateau and East Cascades) contain this habitat type.

These habitats are both extensive and diverse. In general, sagebrush habitats occur on dry flats and plains, rolling hills, rocky hill slopes, saddles and ridges where precipitation is low. Sagebrush-steppe is dominated by grasses and forbs (more than 25 percent of the area) with an open shrub layer. In sagebrush steppe, natural fire regimes historically maintained a patchy distribution of shrubs and predominance of grasses. Connectivity corridors of similar habitats between these areas are important to connect otherwise fragmented sage-steppe habitat.

Indicator species and/or species of interest supported by this habitat – Oregon Conservation Strategy Species associated with sagebrush include Greater sage-grouse, ferruginous hawk, loggerhead shrike, sage sparrow, Brewer’s sparrow, sagebrush lizard, Washington ground squirrel, and pygmy rabbits. Other wildlife closely associated with sagebrush include: black-throated sparrow, sage thrasher, sagebrush vole, and pronghorn.

One particular species supported by sagebrush/sage-steppe habitat—the Greater sage-grouse—currently is being considered for listing under the federal Endangered Species Act (ESA) and would be considered the primary indicator species for identification of priority investments for the Board through the Focused Investment Partnership program.

Why it is significant to the state – Sagebrush/sage-steppe habitat is an imperiled habitat that supports a range of species. These areas are associated with an economically and socially important ranching and agricultural industry in communities throughout a large portion of the state. The state of Oregon is developing an “Oregon Sage Grouse Action Plan” to outline the actions necessary to conserve sage-grouse in Oregon in an effort to proactively avoid ESA- listing of the species. The plan has broad support by state and federal agencies, the ranching industry and conservationists.

Key limiting factors and/or ecological threats, with a focus on ecosystem function and process –

- Altered fire regimes, which result in changes to native plant communities and increased risk of habitat loss due to intense wildfires;
- Invasive species such as juniper and non-native grasses, which increase the frequency, intensity and extent of wildfires;
- Conversion to other land uses, which results in habitat loss and connectivity; and
- Limitations of current restoration technologies and the need for successful restoration approaches, particularly in low-elevation areas that face severe challenges to native plant species regeneration following wildfire.

Reference plans –

- 1) Oregon Conservation Strategy
(http://www.dfw.state.or.us/conservationstrategy/read_the_strategy.asp)

- 2) ODFW's Greater Sage-Grouse Conservation Assessment and Strategy for Oregon
(<http://www.dfw.state.or.us/wildlife/sagegrouse/>)
- 3) Final report from the Sage-Grouse Conservation Objectives Team (COT) 2013
(<http://www.fws.gov/mountain-prairie/species/birds/sagegrouse/COT/COT-Report-with-Dear-Interested-Reader-Letter.pdf>)
- 4) Oregon Sage Grouse Action Plan (in development)

OREGON CLOSED LAKES BASIN WETLAND HABITATS

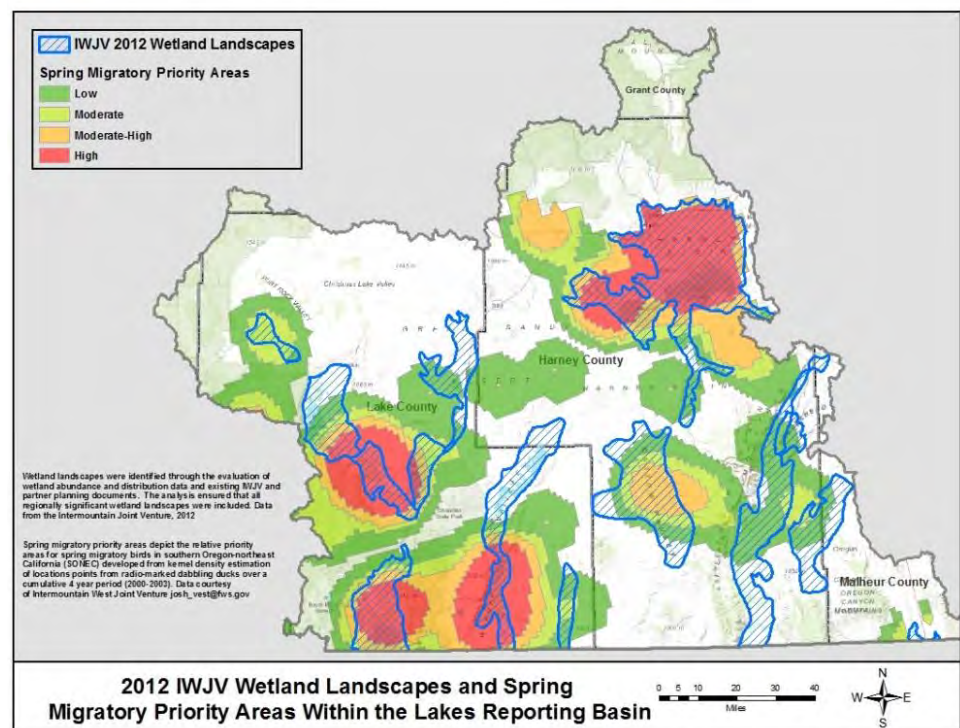
Summary Statement of Priority

The OWEB Board will consider proposals for investment in the **Closed Lakes Basin wetland habitats** for initiatives that address habitat conservation and restoration needs to achieve ecological outcomes over time at the landscape scale¹.

OWEB's Focused Investment Priority for Closed Lakes Basin wetland habitats guides voluntary actions that address primary limiting factors related to the quality of this habitat type. These actions also will support and/or improve watershed functions and processes. **These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Conservation Strategy and the Intermountain Joint Venture's (IWJV) Habitat Conservation Strategy Implementation**

Plan, which are listed on page three of this document.

Focal areas for this Priority are identified as high-priority wetland and floodplain habitat for migratory and resident bird and native fish species in the associated plans. These areas exist within the Oregon portion of the Closed Lakes Basin area (within Harney, Lake and a small portion of Malheur counties).



Background

Where it occurs – The Closed Lakes Basin wetlands exist within the Southern Oregon Northeast California (SONEC) region, which is a portion of the Closed Lakes network within the Great Basin (see map). The SONEC region geography and habitat has been defined by the IWJV and in the federal North American Waterfowl Management Plan. The Closed Lakes Basin within the SONEC region is an important part of the intercontinental Pacific Flyway. Within the SONEC region, 75% of wetland habitat is located on private lands, most of which is managed as flood-irrigated hay and pastureland. In Oregon, Closed Lakes Basin wetland habitat exists primarily in Lake and Harney Counties (including Malheur National Wildlife Refuge), with a small portion in Malheur County. Closed Lakes Basin wetland habitats include shallow lakes and marshes, wet meadows, and irrigated pasturelands. Many of the managed

¹ The landscape scale refers to the scale at which environmental, economic, and social factors intersect.

wetland/pastures exist in the floodplain of tributaries and lakes in the area. Closed Lakes Basin wetlands represent a unique chain of desert oases that, as an integrated network, provide critical habitat and food for waterbirds throughout the seasonal cycle.

Indicator species and/or species of interest supported by this habitat – An estimated 70 percent of migratory birds—including over 6 million waterbirds—annually pass through the SONEC region, which includes the Oregon Closed Lakes Basin. Moreover, the Closed Lakes Basin provides critical habitat to important bird species that utilize this region as part of the Great Basin network of habitat: 1) most of North America’s snowy plovers (federally listed under the Endangered Species Act [ESA]) breed in the region; 2) most of North America’s eared grebes, long-billed dowitchers, and all of the world’s Wilson’s phalaropes use the region during migration; 3) most of the world’s American avocets (a keystone species) use the region for an extended post-breeding period, and over 50% of this species breeds in the Great Basin; 4) most of the world’s white-faced ibis breed in the Great Basin; and 5) about 80% of nesting greater sandhill cranes in Oregon are found into the Closed Lakes Basin. Additional migratory and resident bird species also rely on this habitat.

Of particular importance is habitat for shorebird species and migratory birds on the spring migration path. This region provides a diversity of food production at different salt regimes throughout the year; thus, seasonal water conditions drive habitat function and productivity. Additionally, the Closed Lakes Basin wetlands support native fish species such as Warner and Modoc sucker fish (ESA-listed), tui chub, and redband trout.

Why it is significant to the state – Closed Lakes Basin wetlands are ecologically unique high-desert wetlands that provide critical habitat for numerous migratory and resident bird species. This region has international importance as habitat for migratory birds, including the ESA-listed species cited above. Oregon’s Closed Lakes Basin wetlands habitat are a significant portion of the greater SONEC complex of wetlands that are so critical to the millions of birds that travel the Pacific Flyway each year. The Intermountain West Joint Venture recognizes the SONEC region as one of two priority areas in the Intermountain West for wetland-dependent birds. Greater sage-grouse depend on these wetland habitats for foraging habitat for brooding (see related priority). ESA-listed Warner and Modoc sucker fish also are found in this habitat, as referenced above.

The region also fosters an historic and vitally important ranching community and associated economy that depends on the ecological health of these wetland habitats. In addition, Malheur National Wildlife Refuge and other wildlife areas in the Closed Lakes Basin are critical recreational and economic resources for these rural counties. The U.S. Fish and Wildlife Service has documented over 65,000 annual visitors to the Malheur National Wildlife Refuge alone.

Finally, the implications of climate change in this region may lead to a reduction in water availability, further altering the natural hydrologic regime, which could lead to higher salinity levels in lakes and wetlands. This issue lends added urgency to the importance of conservation efforts concerning this unique habitat.

Key limiting factors and/or ecological threats, with a focus on ecosystem function and process –

- Loss and degradation of wetlands habitat, including salinization and an imbalance of seasonal saline gradients;
- Seasonal water availability as a result of altered natural hydrologic functioning, including the conversion to sprinkler irrigation from flood irrigation that provided surrogate wetland habitat and impacts of climate change;

- Proliferation of invasive common carp, whose feeding behavior has destroyed vast natural marsh habitat by uprooting vegetation and increasing suspended sediments and turbidity that significantly reduces vegetation otherwise available as a food source for birds and other wildlife; and
- Invasive plant and macroinvertebrate species, which can reduce food production for native bird species.

Reference plans –

- 1) Oregon Conservation Strategy
(http://www.dfw.state.or.us/conservationstrategy/read_the_strategy.asp)
- 2) North American Waterfowl Management Plan
(<http://www.fws.gov/birdhabitat/NAWMP/Planstrategy.shtm>)
- 3) Intermountain West Joint Venture Habitat Conservation Strategy Implementation Plan
(<http://iwjv.org/2013-implementation-plan>)

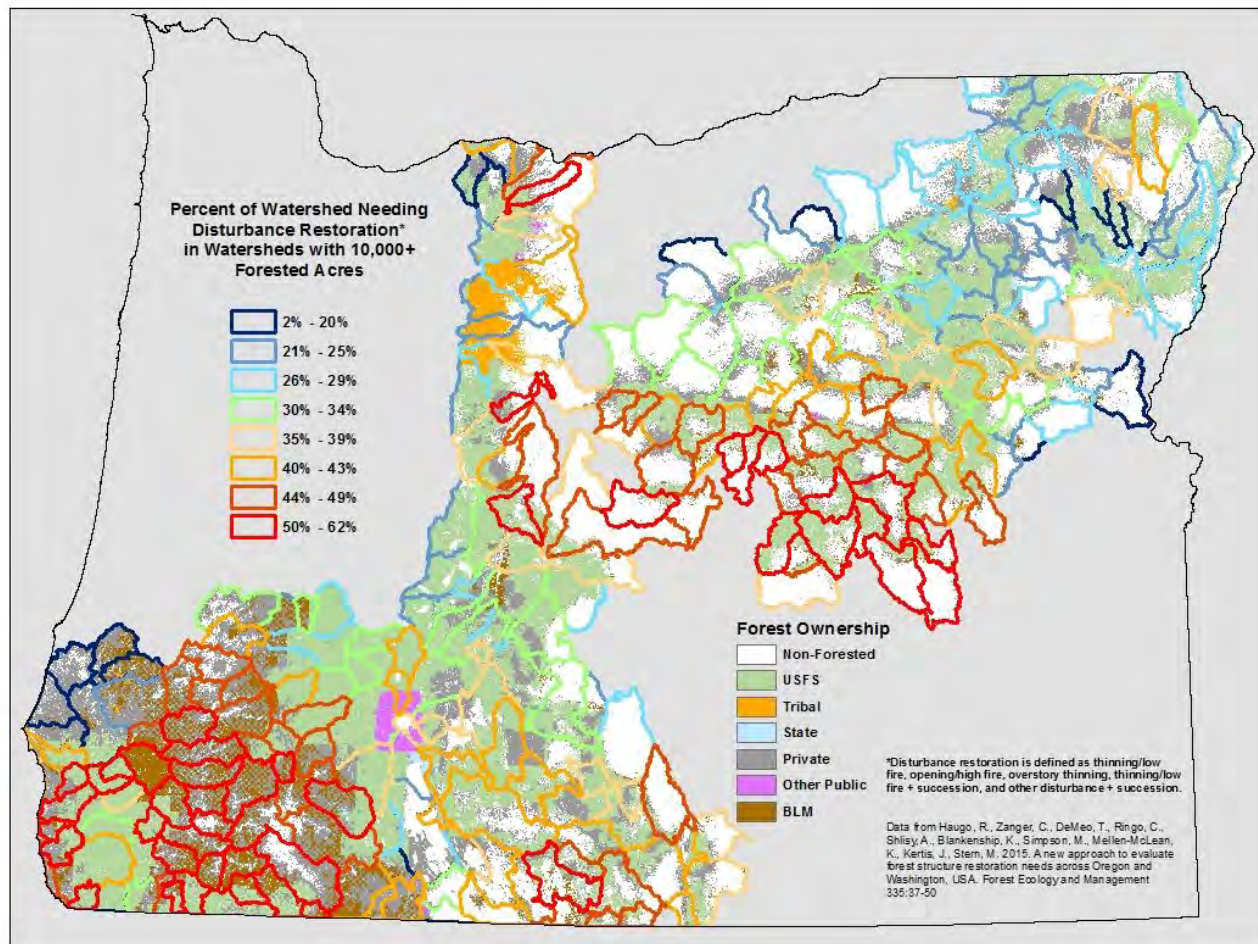
DRY-TYPE FOREST HABITAT

Summary Statement of Priority

The OWEB Board will consider proposals for investment in **dry-type forest habitat** for initiatives that address habitat conservation and restoration needs to achieve ecological outcomes over time at the landscape scale¹.

OWEB's Focused Investment Priority for dry-type forest habitat guides voluntary actions that address primary limiting factors related to the quality of this habitat type. These actions also support and/or improve watershed functions and processes. **These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Conservation Strategy and other plans listed on page two and three of this document.**

Focal areas for this Priority are identified in the associated plans as high-priority dry-type forests and the aquatic and terrestrial ecosystems that these habitats support.



¹ The landscape scale refers to the scale at which environmental, economic, and social factors intersect.

Background

Where it occurs – Dry-type forests exist east of the Cascade Mountains and southwest in the Umpqua and Rogue watersheds of the Siskiyou and Klamath Mountains. This forest type spans 14 million acres in Oregon, constitutes roughly half of all forests in the state, and accounts for approximately 25 percent of the state’s land cover. These forests are associated with nine national forests in Oregon and also coincide with land managed by the Bureau of Land Management in southwest Oregon. “Dry-type” is a general term for forests that consist of dry pine forests, dry mixed conifer and moist-cold forests.

Indicator species and/or species of interest supported by this habitat – Dry-type forest habitat is composed of numerous tree species, including ponderosa pine, sugar pine, grand fir, and Douglas-fir. Historically, these forests experienced more frequent low-intensity fires that would burn off the understory and small trees on a 7-15 year cycle, resulting in a diverse and robust mosaic of older, larger aforementioned tree species mixed with areas of younger trees, stands, and forests. Fire suppression practices in the past century have elevated ‘fuel levels’ to a degree that has altered forest species composition and succession, and susceptibility to uncharacteristic large wildfires due to the fuel loads. In addition to the building of fuel levels, the change in forest management practices during the last century has reduced diversity of species and age structures, and increased densities of trees within this forest type.

Dry-type forests are critical to healthy watershed function and process. The aquatic habitat within these forested areas closely linked with health of the dry-type forest. Dry-type forest habitats support over 800 fish and wildlife species, including bird species such as the white-headed woodpecker and northern goshawk, and terrestrial species, such as Rocky Mountain elk and mule and white-tailed deer. Dry-type forests also support native fish such as salmon, coastal coho steelhead, bull trout, and redband trout (see related priorities).

Why it is significant to the state – Dry-type forests cover vast acreages in Oregon, and are at critical risk for uncharacteristically intense wildfires. These forest systems support a diverse range of aquatic and terrestrial species, including federally listed fish and bird species. Properly functioning dry-type forests are also critical to maintaining healthy watershed function and process for the rivers and other water bodies existing within their habitat range. Dry-type forests are iconic in Oregon, of cultural significance to Native American tribes, and have economic importance related to natural resource based economies in rural communities. In addition, these areas support an increasingly important recreation-based economy in many areas throughout Oregon.

Key limiting factors and/or ecological threats, with a focus on ecosystem function and process –

- Uncharacteristically intense wildfires as a result of fuel buildup to fire suppression and forest management practices;
- Altered fire regimes resulting in forest densification and changed ecological role of fire;
- Loss of forest structure, age, composition, and habitat connectivity; and
- Vulnerability to threats such as uncharacteristic outbreaks of diseases and insects.

Reference plans –

- 1) Oregon Conservation Strategy
(http://www.dfw.state.or.us/conservationstrategy/read_the_strategy.asp)
- 2) Restoration of Dry Forests in Eastern Oregon
(<https://www.conservationgateway.org/ConservationPractices/FireLandscapes/FireLearningNetwork/NetworkProducts/Pages/Dry-Forest-Guide-2013.aspx>)

- 3) General Technical Report – The Ecology and Management of Moist Mixed-Conifer Forests in Eastern Oregon and Washington: A Synthesis of the Relevant Biophysical Science and Implications for Future Land Management
(http://www.fs.fed.us/pnw/pubs/pnw_gtr897.pdf)

OAK WOODLAND AND PRAIRIE HABITAT

Summary Statement of Priority

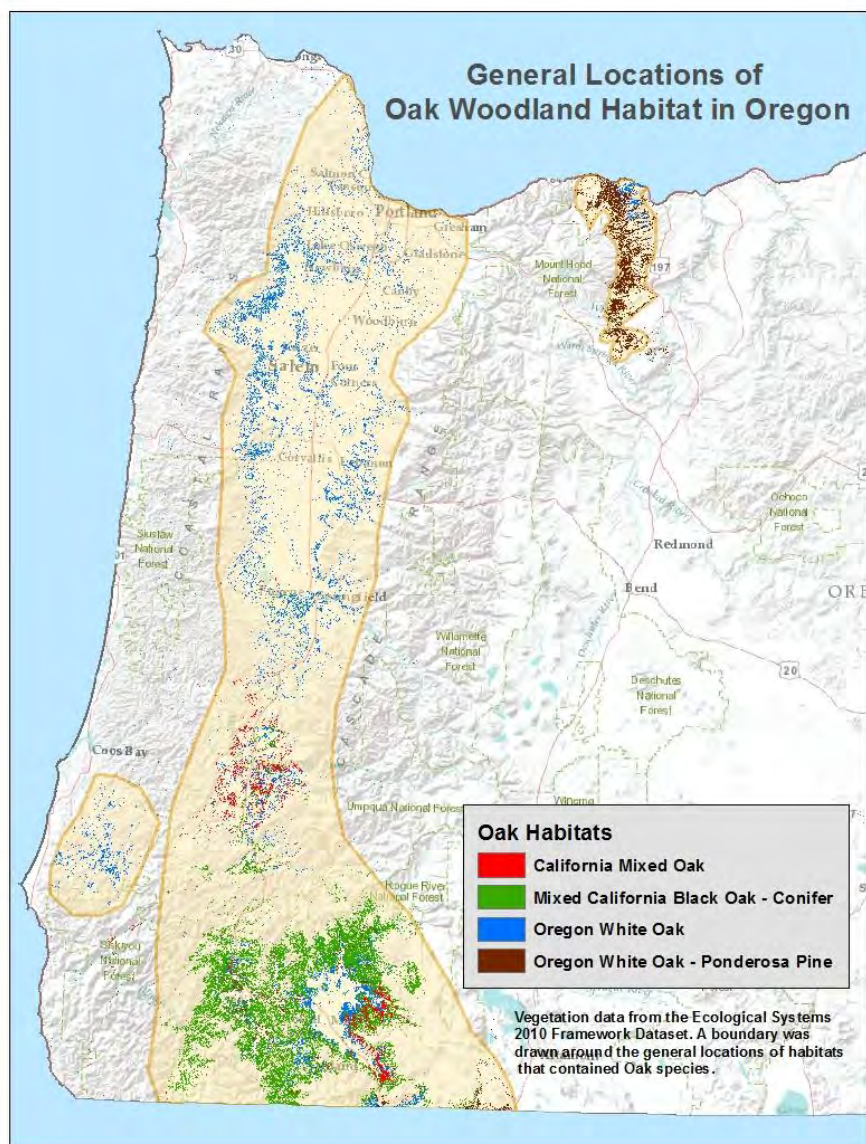
The OWEB Board will consider proposals for investment in oak woodland and prairie habitats for initiatives that address habitat conservation and restoration needs to achieve ecological outcomes over time at the landscape scale¹.

OWEB's Focused Investment Priority for oak woodland and prairie/chaparral habitat guides voluntary actions that address primary limiting factors related to the quality of this habitat type. These actions also will support and/or improve watershed functions and processes. **These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Conservation Strategy and other plans and strategies listed on page two of this document.**

Focal areas for this Priority are identified in the associated plans as high priorities for oak and associated prairie and chaparral habitats, and the aquatic and terrestrial ecosystems that these habitats support. These areas include oak and associated prairies within the Willamette Valley, the southern Oregon oak and associated chaparral habitat corridor, and oak habitats in the East Cascades.

Background

Where it occurs – Despite a loss of approximately 90% of its historical habitat range since the 1800s, oak and associated prairie and chaparral habitats still exist throughout the state. Three types of oak habitats in Oregon are “oak savannah” (5-30% oak coverage), “oak



¹ The landscape scale refers to the scale at which environmental, economic, and social factors intersect.

woodlands” (30-60% oak coverage), and “oak forests” (greater than 60% oak coverage). These oak habitats primarily occur in three areas of the state: 1) Oak and prairie habitats of the Willamette Valley ecoregion; 2) Oak woodlands of the East Cascades ecoregion and foothills along the Columbia Gorge, including both Hood and Wasco counties and south to White River; and 3) Southern Oregon oak and chaparral habitats of the Klamath, Umpqua and Rogue River ecoregions.

Indicator species and/or species of interest supported by this habitat – The Oregon white oak is the indicator species for oak and associated prairie and chaparral habitats. Species that are supported by these habitats include: streaked horned lark, the Western meadowlark, Lewis’ woodpecker, white-breasted nuthatch, western bluebird, acorn woodpecker, western gray squirrel, Columbian white-tailed deer, Fender’s blue butterfly, Taylor’s checkerspot butterfly, Kincaid’s lupine, and the Willamette daisy, among many other plant species depending on the region. At least seven federally Endangered Species Act (ESA)-listed species are dependent on these habitats.

Oak and associated prairie and chaparral habitats also support aquatic ecosystems that exist within their habitat range. The watershed function and process of these aquatic ecosystems depend on the health of the oak and associated habitats that foster them. These aquatic habitats host inland native fish species, such as salmon, steelhead, bull trout, and redband trout.

Why it is significant to the state – In a national assessment, oak and associated prairie and chaparral habitats are one of the most endangered ecosystems in the U.S. due to land conversions and altered fire regimes. Yet, these habitats are home to roughly 30 bird, terrestrial, and plant species addressed in the Oregon Conservation Strategy. Maintaining the connectivity of oaks and their associated prairie and chaparral habitats is crucial to support species utilization of greater habitat range, but also to facilitating the gradual movement of species to the north from California in response to climate change. Many species dependent on oak habitats may be considered for ESA-listing in the future; thus, an increase in habitat connectivity, complexity and acreage will benefit these vulnerable species. In addition, these habitat types are iconic and culturally important to the Native American tribes.

Key limiting factors and/or ecological threats, with a focus on ecosystem function and process –

- Habitat loss and fragmentation due to land-use conversion (e.g., residential, timber, agricultural);
- Habitat degradation, including shrub-tree and conifer encroachment, invasive species encroachment, and disease such as sudden oak death syndrome; and
- Impaired habitat persistence, due to loss of fire disturbance regimes, over-grazing, and the subsequent lack of recruitment of young oaks.

Reference plans –

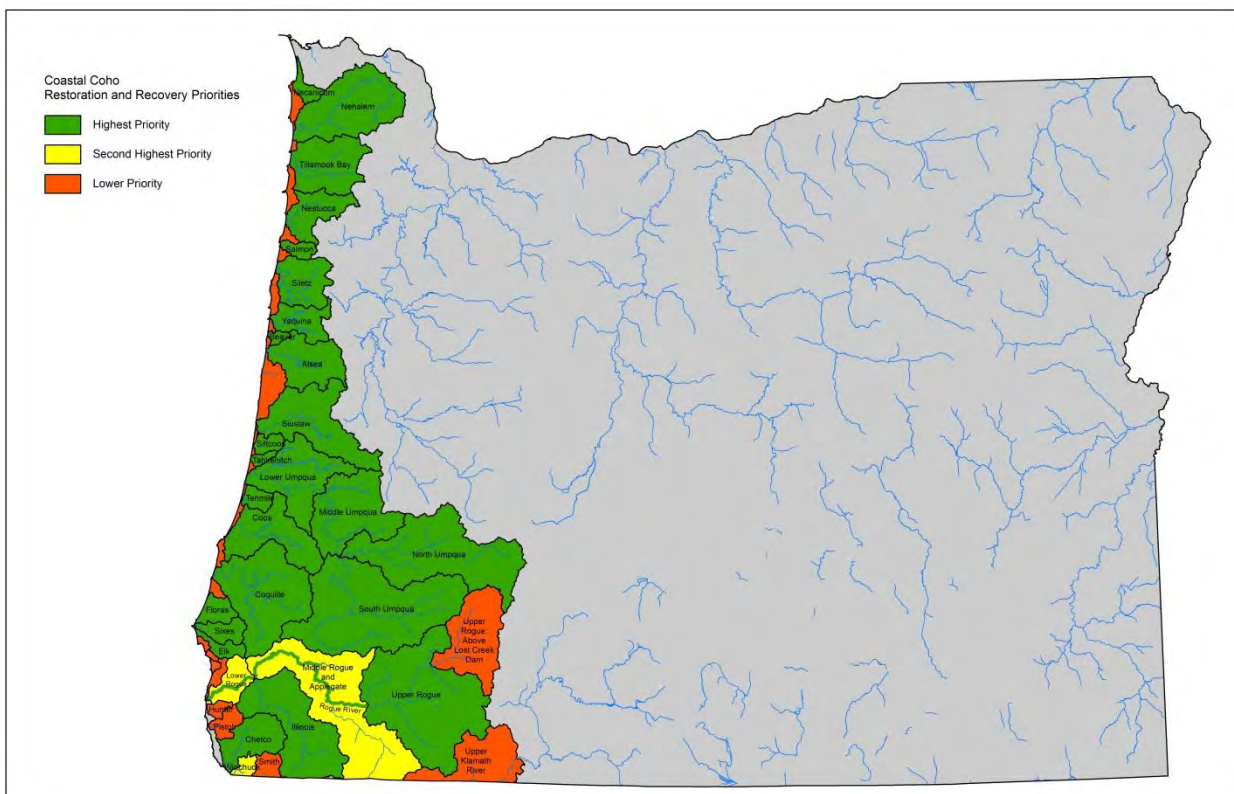
- 1) Oregon Conservation Strategy
(http://www.dfw.state.or.us/conservationstrategy/read_the_strategy.asp)
- 2) Recovery Plan for Prairie species of Western Oregon and SW Washington (USFWS 2010)
(<http://www.fws.gov/oregonfwo/Species/PrairieSpecies/>)
- 3) Oregon White Oak Restoration Strategy for National Forest System Lands East of the Cascade Range (USFS 2013)
(http://ecoshare.info/wp-content/uploads/2013/05/Oak_Strategy_draft_3-6-13_FINAL_HQ.pdf)
- 4) Northwest Power and Conservation Council – Willamette Subbasin Plan
(<https://www.nwcouncil.org/fw/subbasinplanning/willamette/plan>)

OREGON COASTAL COHO HABITAT AND POPULATIONS

Summary Statement of Priority

The OWEB Board will consider proposals for investment in **Oregon's coastal coho habitats and populations**, including estuaries, freshwater water bodies, and associated riparian and upland habitats, for initiatives that address habitat conservation and restoration needs to achieve ecological outcomes over time at the landscape scale¹.

OWEB's Focused Investment Priority for Oregon's coastal coho habitats and populations guides voluntary actions that address primary limiting factors related to the protection and restoration of the watershed functions and processes that support coho habitat and the health of coho populations. **These actions will be guided by the habitat, limiting factors, ecological outcomes, and conservation approaches outlined in the Oregon Coastal Coho Conservation Plan, NOAA Fisheries Southern Oregon Northern California Coast Coho Recovery Plan, and Oregon Department of Fish and Wildlife's limiting factors document, which are listed on page three of this document.**



Note: The GIS data used to create this map comes from both State and Federal conservation and recovery plans.

This priority encompasses habitat needs for coho salmon listed in the Oregon Coast Coho (OCC) evolutionarily significant unit (ESU) and the Southern Oregon Northern California Coast Coho (SONCC) ESU. Focal areas for this Priority are coastal habitats identified as high conservation and restoration priorities for Endangered Species Act (ESA) listed coho salmon. For the purposes of this Priority, OWEB investments would be focused in areas shown in green and yellow on the map on the map. Within these

¹ The landscape scale refers to the scale at which environmental, economic, and social factors intersect.

identified areas, voluntary restoration and conservation actions are especially encouraged in locations where investments will also address identified non-point source water-quality concerns.

Background

Where it occurs – This Priority includes estuaries, freshwater water bodies, and associated riparian and upland habitats that support coho salmon and are connected to the Oregon coast. This priority includes restoration and protection of watershed functions and processes that increase and maintain instream complexity, good water quality, adequate instream flows, and floodplain connectivity, as well as actions that create and/or maintain an appropriate sediment regime throughout the range of the coho salmon.

Indicator species and/or species of interest supported by this habitat – Oregon has two coastal Evolutionarily Significant Units (ESUs) that are listed under the ESA: 1) Oregon Coast Coho (OCC) ESU with 21 independent populations from the Necanicum River in the north and the Sixes River near Cape Blanco in the south, and 2) the Southern Oregon Northern California Coast Coho (SONCCC) ESU from Cape Blanco to the California border with seven independent populations.

The estuarine and freshwater coastal habitats that coho use also support many other native species, for at least some portion of their life cycle. These species include, but are not limited to: Chinook and chum salmon, steelhead, coastal cutthroat trout, Pacific lamprey, Western brook lamprey, sculpins, beavers, river otters, and giant salamanders, as well as hundreds of invertebrate species. Work is underway to further assess and refine the list of estuarine species associated with these habitat areas.

Why it is significant to the state – The presence of robust and sustainable populations of coho salmon are an indicator of properly functioning coastal ecosystems and can provide significant social, cultural, economic and ecological benefits to coastal communities. Because water quality has been significantly degraded and instream habitat impacted in areas along the coast, the populations of these fish have declined, thus requiring a federal ESA listing.

Several significant planning efforts have been underway to focus efforts on coho conservation. Oregon has developed a coho conservation plan (Oregon Coast Coho Conservation Plan), NOAA Fisheries has developed a federal recovery plan for the SONCC ESU that was recently approved, and a recovery plan is currently being developed by NOAA Fisheries for Oregon's OCC salmon populations.

The improvement in conditions and complexity for coastal coho habitat will also lead to improved water quality. Many of Oregon's coastal streams are designated on the federal 303(d) list as "water quality limited," which affects landowners and communities and creates economic impacts. Additionally, recreational and commercial fisheries are also severely impacted by the ESA listing of these fish. Restoring ecosystem function for coastal stream habitats will benefit coho populations, which may help support fisheries over time.

Key limiting factors and/or ecological threats, with a focus on ecosystem function and process –

- Impaired ecosystem functions that have resulted in decreased quantity and quality of instream complexity and degraded rearing and spawning habitats;
- Lack of habitat connectivity with floodplains;
- Degraded riparian areas;
- Insufficient water quantity/flows during critical flow periods; and
- Degraded water quality (i.e., dissolved oxygen, temperature, bacteria load, sedimentation)

Investments for the priority will focus on addressing primary limiting factors, as described in the reference plans below, with actions such as: 1) in estuaries and mainstem rivers, reconnecting and restoring floodplain, riparian, side-channel, and tidal habitat; and 2) in tributaries, restoring whole

watersheds to address such limiting factors as loss of instream habitat complexity and degradation of riparian areas.

Reference plans –

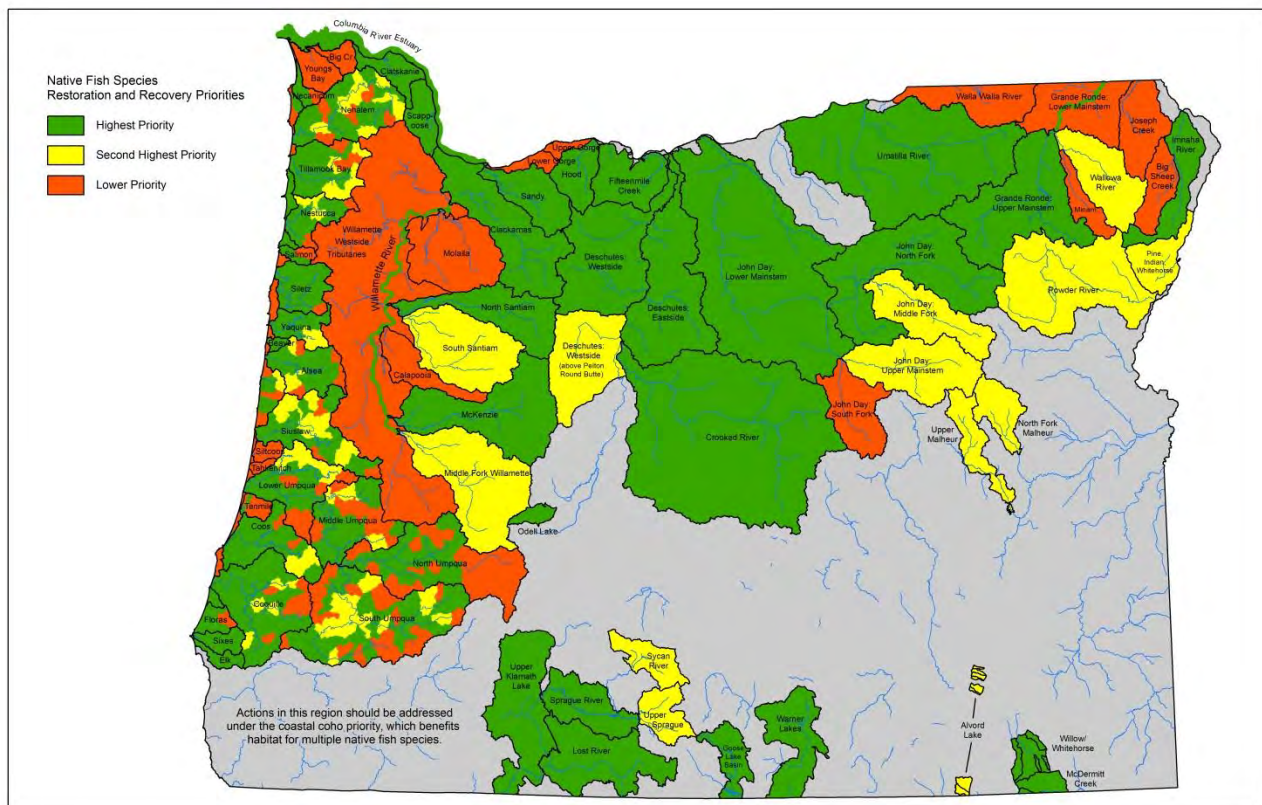
- 1) Oregon Coastal Coho Conservation Plan
(http://www.dfw.state.or.us/fish/CRP/coastal_coho_conservation_plan.asp)
- 2) NOAA Fisheries Southern Oregon Northern California Coast Coho Recovery Plan
(http://www.westcoast.fisheries.noaa.gov/protected_species/salmon_steelhead/recovery_planning_and_implementation/southern_oregon_northern_california_coast/southern_oregon_northern_california_coast_salmon_recovery_domain.html)
- 3) Limiting Factors and Threats to the Recovery of Oregon Coho Populations in the Southern Oregon-Northern California Coast Evolutionarily Significant Unit: Results of Expert Panel Deliberations
(http://www.dfw.state.or.us/fish/CRP/docs/coastal_coho/final/Oregon_SONCC_coho_limiting_factors_Final_Report_Sept_2008.pdf)

INLAND AQUATIC HABITAT FOR NATIVE FISH SPECIES

Summary Statement of Priority

The OWEB Board will consider proposals for investment in initiatives that address habitat conservation and restoration needs for inland aquatic habitat for native fish species that are addressed in the following: 1) A federal recovery plan and/or 2) a state conservation plan. Habitat conservation and restoration needs to achieve ecological outcomes over time at the landscape scale¹.

OWEB's Focused Investment Priority for Inland Aquatic Habitat for Native Fish Species guides voluntary actions that address limiting factors related to the protection and restoration of the watershed functions and processes in this habitat type. Initiatives under this Priority will identify the primary limiting factors outlined in associated federal and state recovery and conservation plans that the initiative is aiming to address, and will be guided by the habitat and population objectives and conservation approaches set forth in these plans. (See Table 1 on p. 4 for a list of plans.)



Note: The GIS data used to create this map comes from both State and Federal conservation and recovery plans.

Focal areas for this Priority are defined as those native fish habitats in Oregon that are identified as priorities in associated federal recovery and/or state conservation plans, which are outlined in Table 1. For the purposes of this Priority, OWEB Focused Investment Partnership investments would be focused in areas shown in green and yellow on the map. Within these identified areas, voluntary restoration and

¹ The landscape scale refers to the scale at which environmental, economic, and social factors intersect.

conservation actions are especially encouraged in locations where investments will also address identified non-point source water-quality concerns.

Background

Where it occurs – As defined here, inland aquatic habitats include rivers, streams, floodplains, lakes and tidally influenced waters. These habitats typically contain water year-round. These areas occur around the state and provide essential habitat to many at-risk species, including important spawning and rearing habitat for salmonids.

Oregon's inland aquatic habitats are highly diverse. For example, as described in the Oregon Conservation Strategy, the headwaters of many of Oregon's rivers are located high in the state's various mountainous areas. In contrast, the eastern half of the state contains several playa lakes, formed when runoff from precipitation and mountain snowpack flows into low-lying areas, then evaporates and leaves mineral deposits.

Indicator species and/or species of interest supported by these habitats – Several native fish species have been listed or are candidates for listing under the federal Endangered Species Act (ESA) or are state species of concern, including, but not limited to: Chinook salmon, chum salmon, steelhead, bull trout, some species of sucker, lamprey, and chub. Specific species to be addressed under this Focused Investment Priority are identified, by geography, on page 4.

In certain instances, the limiting factors and habitat needs of the aforementioned native fish species overlap with coastal coho during a least a portion of their life-cycle. However, because the overlap is not complete, this priority focuses on the inland aquatic habitat needs for a broader collection of native fish species. This approach ensures that primary limiting factors can be addressed for a range of native fish species that are of significance to the state.

Why it is significant to the state – Inland aquatic habitat supports an incredible number of Oregon's native fish and wildlife species. The extent of biodiversity in an aquatic habitat is a reflection of the native fish, plants, and other aquatic species (e.g., freshwater mussels, Oregon spotted frogs) present there. All require water, and high-quality aquatic systems provide essential habitat to many at-risk species, including important spawning and rearing habitat for salmonids and other native fishes.

Sustaining aquatic biodiversity is essential to the health of our environment and to the quality of human life. Healthy aquatic ecosystems are imperative for continuing to contribute to Oregon's communities and economy, including fisheries and recreation. Because native fish communities are central to the structure, function, and process within aquatic habitats, they serve as ideal indicator species of the overall health of these habitats.

An excellent example of a successful focused investment effort is the recently de-listed Oregon chub. This fish species, which is endemic to the Willamette Valley, is the first fish species to be removed from the federal ESA due to species recovery. Since 1993, significant conservation efforts, partnerships, and funding have addressed Oregon chub habitat, which contributed to the recovery of the fish and the ESA de-listing in March, 2015.

Key limiting factors and/or threats, with a focus on ecosystem function and process – Proposals must address primary limiting factors for aquatic habitats, as identified in associated federal and state recovery and conservation plans, including:

- Impaired water quality (e.g., temperature and sedimentation), including those factors associated with the loss of riparian and floodplain vegetation;
- Reduced water quantity (e.g., low streamflow and altered hydrology);

- Loss of habitat complexity (e.g., high-quality instream structure and spawning gravel, floodplain connectivity, connected off-channel habitat, presence of pools, and presence of large woody debris);
- Loss of habitat connectivity, including: floodplain connectivity; access to cold-water refugia; and fish-passage barriers that are identified as primary limiting factors for native fish species and as noted by Oregon Department of Fish and Wildlife's statewide fish passage priority list; and
- Spread of invasive species.

Investments for the priority will focus on addressing primary limiting factors, as described in the reference plans below, with actions such as: 1) in mainstem rivers, reconnecting and restoring floodplain, riparian, side-channel, and tidal habitat; and 2) in tributaries, restoring whole watersheds to address such limiting factors as loss of instream habitat complexity and degradation of riparian areas.

Reference plans – See Table 1 on page 4 for species-specific conservation and recovery plans to be addressed under this Priority.

In addition to these plans, Oregon's Native Fish Conservation Policy (NFCP), the state policy for managing native fish, provides guidance to support the implementation of the Oregon Plan for Salmon and Watersheds and Oregon Conservation Strategy. Conservation and recovery plans developed under the NFCP by Oregon Department of Fish and Wildlife and/or in conjunction with federal agencies detail how Oregon proposes to recover ESA-listed native fish species. These plans identify key limiting factors for specific fish species, geographies in which habitat for these species occur, and priority actions that will address limiting factors. While these plans have a species focus, addressing the limiting factors and meeting the goals of each plan supports native fish communities and the ecosystem function of aquatic habitats more generally. Thus, achieving the desired habitat and population objectives within these plans will provide significant ecological, economic and cultural benefits for all Oregonians.

Table 1. Conservation and Recovery Plans for Native Fish Species

(U.S. Fish and Wildlife Service = USFWS; NOAA Fisheries = NMFS; Oregon Department of Fish and Wildlife = ODFW)

Example Conservation and Recovery Plans	Native Fish Species	Associated Basin(s)
USFWS Recovery Plan for the Threatened and Rare Native Fishes of the Warner Basin and Alkali Sub-basin	Warner Sucker, Lahontan cutthroat trout, Hutton tui chub, Fosskett speckled dace, Warner Valley redband trout	Closed Lakes Basin
USFWS Revised Draft Recovery Plan for the Coterminous United States Population of Bull Trout	Bull trout <i>Co-benefit species: Redband trout</i>	Deschutes, John Day, Upper Klamath, Lower Columbia, Willamette
NMFS/ODFW Mid-Columbia Oregon Steelhead Recovery Plan	Steelhead <i>Co-benefit species: Chinook salmon, Redband trout</i>	Deschutes, John Day
NMFS Draft ESA Recovery Plan for Northeast Oregon Snake River Spring and Summer Chinook Salmon and Snake River Steelhead Populations	Spring Chinook, Steelhead <i>Co-benefit species: Redband trout</i>	Grande Ronde
ODFW Lower Columbia River Conservation & Recovery Plan for Oregon Populations of Salmon & Steelhead	Spring and Fall Chinook, Chum salmon, Summer and winter steelhead <i>Co-benefit species: Redband trout</i>	Lower Columbia River
USFWS Lamprey Conservation Initiative Plan	Pacific lamprey	Deschutes, John Day, Grande Ronde, Lower Columbia, Umpqua, Rogue, Willamette
USFWS Revised Recovery Plan for the Lost River sucker and Shortnose sucker	Lost River sucker, Shortnose sucker	Upper Klamath
NMFS/ODFW Upper Willamette River Conservation and Recovery Plan for Chinook Salmon and Steelhead	Spring Chinook, Steelhead	Willamette
USFWS Recovery Plan for the Oregon Chub	Oregon chub	Willamette
ODFW Coastal Multi-Species Conservation and Management Plan (this plan does not assess or address coastal coho, thus differentiating this priority from the Focused Investment Priority for Oregon Coastal Coho Habitat and Populations)	Chinook salmon, Chum salmon Steelhead, Cutthroat trout <i>Co-benefit species: Redband trout</i>	Coastal watersheds from Cape Blanco to the Columbia River (including Umpqua, Tillamook, many others)
USFWS Lahontan Cutthroat Trout Recovery Plan	Lahontan Cutthroat Trout	Closed Lakes Basin

COASTAL ESTUARIES

Summary Statement of Priority

The OWEB Board will consider proposals for investment in Oregon's **coastal estuaries**. The focal area for this Priority is coastal estuaries and associated riparian and upland habitats, which support a multitude of species. Proposals should outline initiatives that address habitat conservation and restoration needs to achieve ecological outcomes over time at the landscape scale¹.

OWEB's Focused Investment Priority for Oregon's coastal estuaries guides voluntary actions that protect and/or restore estuarine habitat at a scale that ensures watershed functions and processes that support fish and wildlife dependent on this habitat type. **Actions will address the habitat, limiting factors, ecological outcomes, and conservation approaches that yield the greatest productivity across species. The importance of estuaries is noted in several plans, which are listed at the end of this document.**

Background

Where it occurs – Oregon's estuaries exist at the confluence of freshwater rivers and the ocean. The extent of estuarine habitat at these confluences can be determined by the range upon which the ocean maintains a tidal influence on these freshwater rivers (see map).

Currently, over 70 percent of Oregon's estuarine wetlands have been lost, while tidal swamp habitat losses stand at roughly 90 percent (for estuaries where applicable data is available). A history of anthropogenic alterations to habitat and natural hydrologic processes, including diking, tide gates, dredging, and channelization, among other impacts, has contributed to these habitat losses and impairments.

There are four main subsystems associated with estuaries, including: marine, bay, slough, and riverine. Estuary habitats experience regular fluctuations in salinity, water levels, sunlight, and oxygen. This priority includes restoration and protection of habitat and watershed function and process associated with each habitat type.

Indicator species and/or species of interest supported by this habitat – Estuaries provide habitat for a multitude of plant and animal species. The unique biophysical conditions found in estuaries as a result of tidal influence and variation in salinity fosters a complex diversity of vegetation and animal species. Such species include salmon and steelhead, crabs and other shellfish, marine mammals, seabirds and migratory birds. It is estimated that the Lower Columbia River estuary alone provides wintering habitat for peak counts of 150,000 waterfowl birds



¹ The landscape scale refers to the scale at which environmental, economic, and social factors intersect.

along the Pacific Flyway. In terms of fish species, estuaries provide critical breeding and nursery areas for rockfish, lingcod, and greenling, as well as rearing grounds for juvenile coho, Chinook, and chum salmon. Estuaries also foster large populations of staghorn sculpin, which are a critical food source for foraging migratory and shorebirds. Roughly 75 percent of Oregon's harvested fish species utilize estuary habitat during some portion or all of their life cycle.

Why it is significant to the state – Estuaries are significant to the state of Oregon for a wide range of reasons. First, in terms of planning efforts, Oregon's Statewide Planning Goal 16, titled "Estuarine Resources", strives: "To recognize and protect the unique environmental, economic, and social values of each estuary and associated wetlands; and to protect, maintain, where appropriate develop, and where appropriate restore the long-term environmental, economic, and social values, diversity, and benefits of Oregon's estuaries." Further, the Lower Columbia River estuary and Tillamook Bay estuaries are each designated as an "estuary of national significance" by the U.S. Environmental Protection Agency (two of 28 National Estuary Programs managed under the Clean Water Act). Many Oregon estuaries have Total Maximum Daily Loads developed for water quality in these habitats, as estuaries play an important role in filtering sediment, nutrients, pathogens, and other contaminants from aquatic environments.

Second, estuaries are a necessary habitat that is integral to the existence and success of various fish and wildlife species. There are numerous species that are adapted to the unique habitat conditions that estuaries provide and are thus dependent on this habitat type. For example, nearly one-third of the west coast's nesting seabird colonies are located off Oregon's south coast. Additionally, the Klamath Bird Observatory maintains a list of 39 "Important Aquatic Bird Sites," with 24 of these sites located along the Oregon coast in and around estuary habitat.

Lastly, estuaries provide critical services for the people of Oregon. For example, estuaries serve to buffer storm wave damage and help stabilize shorelines.

Key limiting factors and/or ecological threats, with a focus on ecosystem function and process –

- Increasing development and land-use conversions;
- Alteration of natural hydrological processes and streamflow, including limited salt- and fresh-water exchange due to such issues as tidegates;
- Water-quality degradation (including increased bacterial loads; decreased dissolved oxygen; and toxic contaminants from industry, agriculture, and urban development);
- Loss of habitat complexity and connectivity degraded tidal areas;
- Invasive aquatic plant and animal species;
- Impacts of climate change (e.g., sea-level rise, increased acidification); and
- Nutrient cycling and sediment transport.

Reference plans –

- 1) Oregon Conservation Strategy
(http://www.dfw.state.or.us/conservationstrategy/read_the_strategy.asp)
- 2) NOAA Fisheries Columbia River Estuary ESA Recovery Plan Module for Salmon and Steelhead, 2011 (http://www.westcoast.fisheries.noaa.gov/publications/recovery_planning/estuary-mod.pdf)
- 3) ODFW Lower Columbia River Conservation and Recovery Plan for Oregon Populations of Salmon and Steelhead, 2010 (http://www.dfw.state.or.us/fish/CRP/lower_columbia_plan.asp)
- 4) Oregon Coastal Multi-Species Conservation and Management Plan, 2014
(http://www.dfw.state.or.us/fish/CRP/coastal_multispecies.asp)

Focused Investment Partnerships: Solicitation Process

Updated April 2015

CAPACITY-BUILDING FUNDING	IMPLEMENTATION FUNDING
May 1-July 1, 2015	May 1-July 1, 2015
Letters of Intent submission period. Due date: July 1, 2015	Phase I application submission period <ul style="list-style-type: none"> • Required pre-application consultation with OWEB staff – Must be completed by May 20,2015 • Required attachment – completed draft of strategic action plan Due date: July 1, 2015
July 1-August 17, 2015	July 1-August 17, 2015
Staff receives Letters of Intent. Upon receipt, staff will inform applicants of next steps in the process. This stage is not intended to be a pre-screening for applications and will not include any evaluative action.	Staff convenes technical teams designated for each priority area for review of Phase I applications. Subcommittee takes information from staff and technical teams, and invites select partners to submit Phase II applications materials, including work plan and budget. Other applicants not invited can submit if they choose, though it will be noted there is limited funding available.
July 28-29 Board Meeting	July 28-29 Board Meeting
Staff updates Board on the Letters of Intent received July 1.	Staff updates Board on Phase I applications received July 1, and provides an update on the status of the review process, including the May pre-application consultations with staff.
August 17-November 2, 2015	August 17-November 2, 2015
Capacity-Building full application submission period. Due date: November 2, 2015	Application Phase II submission period. Due date: November 2, 2015
November 2, 2015-January 8, 2016	November 2, 2015-January 8, 2016
RPRs review Capacity-Building applications and provide feedback to capacity review team and subcommittee for their consideration.	RPRs review applications and provide feedback to technical review teams and subcommittee for their consideration.
Staff convenes state capacity review team to make recommendations to subcommittee through staff.	Staff convenes technical review teams designated for each priority area to complete a technical review of applications in their area and provide feedback.
Subcommittee reviews feedback from RPRs and recommendations from the state capacity review team. Provides final recommendations for funding to Board based on available funds.	Subcommittee receives applications, technical teams and RPRs feedback, and asks any follow-up questions of RPRs and/or technical teams. Subcommittee interviews all applicants, negotiates budgets, and recommends Implementation grants for funding based on available funds.
January 2016 Board Meeting	January 2016 Board Meeting
Board reviews subcommittee recommendations and selects Capacity-Building programs for funding. There will be an opportunity for public comment at this time.	Board reviews subcommittee recommendations and selects Implementation programs for funding. There will be an opportunity for public comment at this time.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item N-1 – Oregon Plan/Governor’s Priorities Funding Request
Working Land Easement Support
April 28-29, 2015 OWEB Board Meeting**

I. Introduction

Staff request the Board approve \$25,000 from the Oregon Plan/Governor’s Priorities line item to support a coordinated effort for working land easements that will result in additional working land easements in Oregon.

II. Background on Working Land Easements

An easement restricts development to the degree that is necessary to protect the significant conservation values of that particular property. Easements can permit landowners to continue such traditional uses of the land as farming and ranching.

Working land easements do not have a formal definition, but have long been considered one option within a conservation easement program. OWEB has funded seven working land easements since the beginning of the acquisition program. In addition, the agency has also funded four fee title acquisition projects that have a working lands component. In both cases, all or a portion of the property will continue to generate income through farming, forestry, or other natural resource-based opportunities.

While these projects have been funded through OWEB, Oregon is typically seen as funding fewer working land easement projects than surrounding states. The difference between Oregon’s land use laws and those in other states is often identified as the reason that fewer projects are funded in this state. This difference has been recognized at the federal level, through USDA programs that fund working land easements. Oregon sees fewer requests for funding through those programs as well.

III. Growing Interest in Working Land Easements

While demand has traditionally been low for these easements, it has grown greatly over recent years. There are several possible reasons for this development, including but not limited to: properties transferred between generations (i.e., easements can help to lower the cost of that transition); and landowners retiring from agriculture or forestry, but wanting to ensure the land remains in production. Recently, increased interest in working land easements has emerged in eastern Oregon, where landowners with sagebrush habitat are working to protect sage grouse habitat.

IV. Role of Land Trusts and Soil and Water Conservation Districts (SWCDs) in Working Land Easements

Landowners work with land trusts to discuss conservation goals for the property, and what development rights the landowner may want to retain. Easements typically "run with the land," binding the original owner and all subsequent owners to the easement's restrictions. The easement is recorded at the county or town records office so that all future owners and lenders will learn about the restrictions when they obtain title reports.

The land trust is responsible for enforcing the restrictions that the easement document spells out. Therefore, the land trust monitors the property on a regular basis -- typically once a year - to determine that the property remains in the condition prescribed by the easement document. The land trust maintains written records of these monitoring visits, which also provide the landowner a chance to keep in touch with the land trust. Many land trusts establish endowments to provide for long-term stewardship of the easements they hold. Establishment of endowments can be a very time-consuming process for both the landowner and the land trust.

As interest for working land easements grows, land trusts are also looking for better ways to serve this client base. Some land trusts in Oregon have a strong background in working land easements, while for others, this is a new venture. In addition, SWCDs can legally hold conservation easements in Oregon. Some SWCDs are already actively pursuing this option.

V. Funding Request

To support this increased interest, OWEB staff recommend the Board consider an investment to support land trust and SWCD work to address the growing interest in working land easements. This will include support for a collaborative analysis among easement-holding entities whose mission involves the conservation of farm, forests and ranch land in Oregon. This effort will determine the current and needed capacity for holding and stewarding working land easements in Oregon and will be available to support capacity needs identified in the analysis. The expected results of this effort will be increased capacity to implement high-quality working land easements in Oregon. Funds will be used to aid land trusts and soil and water conservation districts in strengthening a network of working land conservation easement holders to respond to increasing demand for these easements in Oregon, resulting in an increased number of high quality easement proposals to OWEB.

VI. Recommendation

Staff request the Board provide up to \$25,000 from the Oregon Plan/Governor's Priorities spending plan line item to support working land conservation easement infrastructure, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements, with an award date of April 29, 2015 to be used for any grant agreement(s).



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item N-2 – Oregon Plan/Governor’s Priorities Funding Request
Clean Water Partnership and Clean Water Fund
April 28-29, 2015 OWEB Board Meeting**

I. Introduction

Staff request the Board approve \$100,000 in funding from the Oregon Plan/Governor’s Priorities line item to support the Clean Water Partnership and its Clean Water Fund component.

II. Background on the Clean Water Partnership

The Governor’s Recommended Budget proposes \$6 million in a coordinated investment to complete new tools to quantify clean water successes and trends, and direct existing federal and state conservation funding to areas where it will result in the greatest water quality and watershed health improvements. This initiative also enhances market-based approaches that avoid costly investment in water and wastewater treatment systems by creating markets for conservation improvements in Oregon’s watersheds. The Clean Water Partnership includes a number of coordinated components from agencies including OWEB, and the departments of Agriculture, Environmental Quality, Forestry, Fish and Wildlife and Water Resources. Staff from these agencies have been working together with the Governor’s Office to design the coordinated approach. In January 2015, the Board approved \$150,000 in support of this effort.

III. Background on the Clean Water Fund

In the last two months, staff from the agencies identified above have been working with the Governor’s Office to develop a legislative proposal for a Clean Water Fund. The Clean Water Fund will be coordinated with, and help leverage state, federal and other non-regulatory efforts and investments to achieve healthy streamside (riparian) vegetation and clean water improvements on farm, ranch and forestlands. Funds for the program will come from Lottery-backed bonds, with a request of \$15 million for the 2015-17 biennium. Initially focused in 2-3 basins in Oregon, the goal of the Clean Water Fund is to provide 15-, 25- or 50-year contracts for landowners interested in maintaining or improving riparian areas on farm, ranch or forest land, while simultaneously improving water quality. Details of the program are provided in Attachment A to the staff report.

IV. Funding Request

To support the combined efforts of the Clean Water Partnership and the newly designed Clean Water Fund, the Governor's Office is requesting an additional \$100,000 from the Oregon Plan/Governor's Priorities line item in the 2013-2015 spending plan. In a similar fashion as the framework established to support sage-grouse conservation efforts in eastern Oregon, this funding will help to build a comprehensive framework that will directly support implementation of riparian conservation projects and associated monitoring in 2-3 basins around the state.

V. Recommendation

Staff request the Board provide up to \$100,000 from the Oregon Plan/Governor's Priorities spending plan line item to support implementation of the framework outlined in Section IV of this staff report, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements, with an award date of April 29, 2015 to be used for any grant agreement(s). Funds will be used to develop the program's architecture, coordinate the various work groups, and ensure coordination between the Clean Water Partnership and its component Clean Water Fund, resulting in an increased number of high quality riparian proposals to state and federal programs that support this restoration work.

Attachment

A. Clean Water Fund

Oregon Clean Water Fund

Problem: Although Oregon's water quality improved steadily through 2005, since that time trends have flattened, and some areas of the state still have significant water pollution problems. Population increases and a warming climate will make it harder to attain and keep the clean water that supports our communities and that makes Oregon a special place.

Voluntary Solutions: The Clean Water Fund is designed to complement other local, state, federal and private resources that are already being invested to achieve healthy streamside (riparian) vegetation and clean water improvements on farm, ranch and forestlands. Funds for the program will come from Lottery-backed bonds, with a request of \$15 million for the 2015-17 biennium.

Initially focused in 2-3 basins in the state, the goal of Fund is to provide 15-, 30- or 50-year contracts for landowners who agree to work toward healthy riparian areas on farm, ranch or forest lands. By agreeing to carry out particular practices over a long-term, and undertaking actions needed to address legacy conditions, this program is designed to improve water quality while also supporting continued active farm and forest management.

What the program would cover:

- Rental payments (15, 30 or 50 years) with an option for renewal if funds were available;
- The cost of riparian area improvements (planting, weeding and other tasks associated with ensuring healthy riparian areas) and associated technical assistance for design of the habitat, and/or
- The cost of other, off-stream water quality improvements if a landowner agrees to enter into a contract on the property's riparian acres. Examples include: grassed waterways on agricultural lands or road improvements on forest lands.
- In lieu of rental payments, landowners can request assistance to manage their riparian areas for the length of the contract.

The Clean Water Fund will be designed to be flexible and work with landowner goals. The Fund can be used in place of, in conjunction with, or in addition to the following program funds, depending on landowner preference, funding availability and land eligibility.

US Department of Agriculture

- Natural Resources Conservation Service (NRCS) Environmental Quality Incentives Program (EQIP) funding - provides financial and technical assistance to agricultural producers through contracts up to ten years. These contracts

Examples from Other States

In New York, the Conservation Reserve Enhancement Program (CREP) targets the 500,000-acre Catskill and Delaware watersheds, which furnish most of the 1.34 billion gallons of water used daily by New Yorkers. The goal is to reduce soil erosion by 36,000 tons per year and to decrease levels of pollutants entering the waterways.

In Montana, the Missouri/Madison CREP will reach more than 500 miles in Northern Montana, encompassing an eligible area of over 338,000 acres in nine counties. The goal of the program is to improve water quality along the Missouri and Madison river corridors, maximizing the opportunity for federal, state and private funding to improve riparian, in-stream, and upland habitat restoration and enhancement.

provide financial assistance to help plan and implement conservation practices that address natural resource concerns including clean water.

- Farm Service Agency (FSA) Conservation Reserve Enhancement Program - an offshoot of the Conservation Reserve Program, the country's largest private-land conservation program. In Oregon, CREP targets salmon habitat and water quality as its high-priority conservation issues. In exchange for protecting riparian areas and introducing conservation practices, agricultural land owners are paid an annual rental rate. Participation is voluntary, and the contract period is typically 10–15 years, along with other federal and state incentives as applicable per each CREP agreement.

In Oregon, since the program's inception, the program has protected nearly 42,000 acres, with a combination of state and federal funding.

Oregon Watershed Enhancement Board

- Capacity funding for soil and water conservation districts and watershed councils can support riparian project development
- Habitat grants can complement Clean Water Fund investments

Public Utilities – on the Tualatin and McKenzie river systems, public utilities are partnering with state and federal funders to support voluntary riparian improvements in ways similar to those outlined above. Other utilities are considering similar programs. The Clean Water Fund can complement these programs at a watershed scale.

Private Foundations – through this investment, the State of Oregon will seek to coordinate with private foundations with similar goals to increase clean water investments.

The map below identifies cumulative acres enrolled by county in Oregon's CREP. Although the Clean Water Fund will operate differently and initially focus in 2-3 basins, this map gives an indication of the current participation of landowners in a program that supports healthy riparian areas and clean water with 10-15 year contracts.

Cumulative CREP Acres Enrolled by County





Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item O: Board Policy on Relocation for Land Acquisition**
April 28-29, 2015 OWEB Board Meeting

I. Introduction

There is an Oregon law titled "Relocation of Displaced Persons" (ORS 35.500-35.530). These statutes apply whenever acquisition of real property by a public entity results in a displaced person, and requires the public entity to pay the displaced person just compensation. The law does not apply to a willing seller, but instead to tenants and lessees who are on the property being sold. The requirements of the relocation act apply to projects in which OWEB is acquiring an interest in real property that would result in a displaced person.

In July 2014, the Board adopted a policy requiring any relocation of a displaced person to be addressed by an organization before it submits a land acquisition grant application to OWEB. The policy states that the Board will not award grant funds to any project that would require OWEB to pay relocation costs. The intent of the policy is to avoid diverting funds from the main purpose of OWEB's grant funding to paying for relocation costs.

II. Rescindment of Existing Relocation Policy

The Department of Justice (DOJ) advised OWEB that the existing relocation policy is legally sound. However, since the time that the policy was adopted by the Board, staff have gathered more information from land acquisition grant applicants, DOJ, and OWEB's due-diligence contractor. The information indicates that the Board's policy on relocation could potentially result in applicants attempting to address legal requirements that are best addressed by, and most directly applicable to, OWEB. Therefore, staff recommend the Board rescind the relocation policy and staff develop a process for OWEB to address relocation for land acquisition grants.

Staff are in discussions with the Oregon Department of Transportation about putting in place a shared services arrangement for relocation matters, which would provide necessary assistance to OWEB staff in developing a process to address relocation. This process would be finalized prior to the deadline for the October 2015 land acquisition grant cycle. Contingent on Board approval of the recommendation below, staff will update the Board about progress on the relocation process at its July 2015 meeting.

III. Staff Recommendations

Staff recommend the Board rescind the current relocation policy, which was adopted by the Board in July 2014.

April 28-29, 2015 OWEB Board Meeting

Executive Director Update #P-1: Budget and Legislative Update

This update describes current budget and legislative issues raised during the 2015 Legislative Session to date.

Background -- Budget Preparations for the 2015 Legislative Session

The Oregon Legislature approves budgets for state agencies on a biennial basis. In preparing for the next biennium, budgets are structured so that each agency's current (or "base") budget is recalibrated and submitted without need for specific policy description or justification. Budgets are based on revenue availability and shifting agency or Governor's priorities, and these shifts can be proposed in what is called "current service level." Any resources requested to be added to the base budget by agencies must be identified separately with full policy narratives and justification of funds requested. The requested additions to an agency's base budget are called Policy Option Packages, or 'POPs.'

The Governor provides instructions to guide agency development of POPs. In March 2014, Governor Kitzhaber initiated the process for state agencies to prepare budget proposals for the 2015-2017 biennium. That effort continued aspects of the Governor's 10-Year Plan for Oregon that was initiated in advance of the 2013 legislative session. Governor Kitzhaber launched the 10-Year Plan as a way to redesign how state government builds its budget and makes investment decisions. It seeks to better position the two-year budget process to achieve long-term outcomes. The 10-Year Plan organizes the state budget into five major outcome areas— Education, Healthy People, Economy and Jobs, Healthy Environment, and Safety. State agency budget programs are considered within the context of the appropriate outcome area. OWEB's budget is placed entirely within the Healthy Environment outcome area.

Agencies submitted their Agency Request Budgets (ARB) to the Governor and the Department of Administrative Services (DAS) during summer of 2014. Staff presented the POPs contained in the ARB to the Board at the July 2014 Board meeting, and discussed these again at the October 2014 meeting.

The Governor's Recommended Budget and Legislative Hearings

The Governor's Recommended Budget (GRB) was provided to the Legislature in advance of the 2015 Session. Agencies use this information as a part of their budget presentations. OWEB presented its budget to the Joint Ways and Means Natural Resources Subcommittee in early March. This budget proposal includes agency POPs that reflect the Governor's priorities and initiatives. During the session, agencies may advocate for their individual POPs only to the extent that they are included in the GRB. As needed, additional discussion of budgetary issues may occur through early May. Work sessions with the Natural Resources Subcommittee of the Ways and Means Committee may occur any time after agency budget hearings are completed.

OWEB's budget contains connections to one key Governor's Initiative: the Clean Water Partnership and the associated Clean Water Fund. Item N-2 contains a two-page summary of the Clean Water Fund. If approved, OWEB would manage the Clean Water Fund.

In addition to the GRB, the legislature has introduced two bills with potential impacts to OWEB's budget:

- House Bill 3333 – This bill is sponsored by Representative Gomberg and would direct revenue from salmon license plates be used only on projects that protect or restore native salmon habitat, or restore natural watershed or ecosystem functions by removing artificial obstructions to native salmon migration. This bill is discussed in more detail as a part of Agenda Item P-3. The bill had a public hearing and work session in March before the House Agriculture and Natural Resources Committee where it was passed with a "Do Pass" recommendation and referred to the Joint Ways and Means Natural Resources Subcommittee.
- House Bill 3334 – The introduced version of this bill would earmark \$2 million annually out of the Watershed Conservation Grant fund distributed through OWEB for the next five years. The funds would be dedicated to the implementation of strategies intended to protect and restore sage grouse habitat. The bill is sponsored by Representative Bentz and had a public hearing in March before the House Agriculture and Natural Resources Committee. In early April, the House Agriculture and Natural Resource Committee held a work session in which an amendment was adopted that changed the sage grouse habitat earmark to \$1 million annually for the next ten years. The amended bill was passed with a "Do Pass" recommendation and referred to the Joint Ways and Means Natural Resources Subcommittee.

2015 Legislative Session

Staff will work with the Legislature during session to address agency POPs, additional GRB components and any requests associated with bills of relevance to OWEB. In addition to the agency POPs included in the Governor's Clean Water Partnership Initiative and bills relevant to OWEB's budget that are referenced above, staff will update the Board at the April meeting about other bills that are of importance to the agency.

Staff Contact

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180, or Eric Hartstein, Senior Policy Coordinator at eric.hartstein@state.or.us or 503-986-0029.

April 28-29, 2015 OWEB Board Meeting

Executive Director Update #P-2: Key Performance Measure Revision Process

Background

As a part of the agency's Annual Performance Plan Report to the Oregon Legislature, the agency reports on a number of Key Performance Measures, or KPMs (see Attachment A). These KPMs are part of Oregon's multi-level approach to measuring the performance and outcomes of state government. The Legislative Fiscal Office and the Chief Financial Office of the Department of Administrative Services adopted a set of criteria that agencies must meet when developing measures. Measures must:

- Gauge progress toward agency's goals and mission,
- Use standard terminology and definitions,
- Be few in number,
- Identify performance targets to be achieved during the two year budget cycle,
- Use accurate and reliable data sources,
- Measure customer satisfaction,
- Assign an organizational unit responsible for achieving the target, and
- Address comparable information, where possible.

During the budget deliberation process of each legislative session, the Legislature will approve, disapprove, or change/update each agency's proposed biennial performance measures.

Many of OWEB's KPMs were developed over five years ago. While some may still be relevant, with the passage of Constitutional Ballot Measure 76 in 2010, much of the way OWEB operates in relationship to its partner agencies has changed. As an example, OWEB used to be responsible for distributing all funding through Measure 66, including funds distributed for staff to other agencies. With Measure 76, this arrangement changed and OWEB is now the lead agency for the "Grant" fund, but is not responsible for Lottery distributions to other agencies. This change has dramatically impacted the agency's ability to meet a 6% administrative cost ratio as outlined in KPM #1.

In addition, many KPMs are dependent on the reporting of other state or federal agencies. While this is a good idea in concept in that it encourages cross-agency communication on outcomes, it can be a challenge in reality. For example, OWEB is reliant on federal agencies reporting to their databases. The agency then extracts information from those databases for OWEB reporting. If agencies don't report to those databases, replace data with new information, or report differently than the format needed for reporting on KPMs, it impacts OWEB's ability to report on measures and/or achieve targets.

As a result, OWEB has notified the Joint Ways & Means Natural Resources Subcommittee that it would like to work collaboratively with the OWEB Board to propose updates to the agency's

KPMs for the 2017 Legislative Session. Attachment B outlines a draft timeline for development of those KPMs. The timeline may change based on staff workload and Board timelines.

Staff Contact:

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180.

Attachment

- A. Key Performance Measures
- B. Key Performance Measures Revisions Draft Timeline

Attachment A

2013-2013 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
1	OPERATIONS--The percentage of total funding used in agency operations.
2	OUTSIDE FUNDING--The percentage of funding from other sources resulting from OWEB's grant awards.
3	RESTORATION--The percentage of OWEB watershed restoration investments that address established basin and watershed restoration priorities.
4	PAYMENTS--The percentage of complete grant payment requests paid within 24 days.
5	FISH POPULATIONS--The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.
6	PLANT COMMUNITIES--The percentage of improved riparian stream miles of the total number of stream miles in Oregon.
7	WORK PLANS--The extent to which watershed councils funded by OWEB accomplish their work plans each biennium.
8	FISH MONITORING--The percentage of native fish, where monitoring needs have been quantified, that were monitored to a level considered adequate under the Oregon Plan Monitoring Strategy and ODFW's Native Fish Status Review.
9	SALMON HABITAT QUANTITY --The percentage of potential aquatic salmon habitat made available to salmon each year.
10	CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service timeliness, accuracy, helpfulness, expertise, and availability of information.

2015-2016 Key Performance Measure (KPM) Revision Timeline2015

April	OWEB Board meeting -- Introduce KPM revision topic Director's Update
June	Staff discussion at all-staff retreat providing ideas and feedback on KPM revisions/additions
June	Legislature Approves Agency budgets and KPMs for annual report
July	Convene Executive Committee to begin discussing revisions to KPMs
July	OWEB Board meeting -- Update Board on initial direction from Executive Committee
August	Convene Executive Committee to draft revisions to KPMs
9/1/15	OWEB completes FY 2015 Annual Performance Plan Report (APPR) with current KPMs
September	Work with Executive Committee to develop draft for Board discussion in October
October	OWEB Board meeting -- Discuss draft KPMs

2016

January	OWEB Board meeting -- Board approval of final KPMs
4/30/16	OWEB submits revised KPMs and informs BAM/LFO
6/30/16	BAM/LFO Analysts provide feedback to agency on KPM revisions
9/1/16	OWEB completes FY 2016 APPR; depending on legislative process, will use either existing or new KPMs

April 28-29, 2015 OWEB Board Meeting

Executive Director Update #P-3: Salmon Plate Policy Update

Background

OWEB receives half of the revenues that come from Salmon License Plates after administrative costs. In the last three biennia, this has averaged approximately \$500,000. Currently, per Oregon statutes, revenues can be used for activities related to the restoration and protection of watersheds, native fish and wildlife and water quality. Prior to 2009, the agency used these funds for a variety of granting purposes.

In 2009, when Oregon and the nation faced declining state revenues during the Great Recession, both the executive branch and the legislature looked for a number of means to continue to support state services. Staff is an allowable cost under the statutes for license plate revenues, so while staff in other agencies were shifted from General Fund to Lottery Funds, OWEB shifted a staff person from Lottery to Salmon License Plate revenues to continue agency granting functions. This position remained funded in this manner as a part of the agency's base budget in subsequent biennia.

In the 2015 Legislative Session, the Oregon Legislature is seeking to tighten the use of Salmon Plate revenues distributed through OWEB, restricting them to restoration projects. Specifically, House Bill 3333 would direct the agency to use Salmon License Plate revenues only to fund projects to protect or restore native salmon habitat, or restore natural watershed or ecosystem functions by removing artificial obstructions to native salmon migration. Staff are working closely with the bill's sponsor and it is anticipated the bill will be approved and signed by the Governor during this session.

As a part of that process and in anticipation of the bill's passage, staff are working to identify ways the Salmon License Plate grant program could become a highlighted program within the agency. Though it is a small portion of the agency's overall grant program (less than one percent), revenues come from counties across the state and are considered by license plate holders to be one way they can directly contribute to salmon habitat improvements.

Currently, staff are proposing two options that fund and highlight either OWEB's cost-share contributions to salmon projects in Conservation Reserve Enhancement Program (CREP) or outstanding salmon habitat restoration projects in OWEB's Regular Grant Program for Board consideration at the July 2015 Board meeting. Additional information will be provided in advance of that meeting.

Staff Contact

If you have questions or need additional information, contact Eric Hartstein, Senior Policy Coordinator, at eric.hartstein@state.or.us or 503-986-0029.

April 28-29, 2015 OWEB Board Meeting

Executive Director Update #P-4: Long-Term Investment Strategy Update

In 2013, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. This report updates the Board on the numerous tasks undertaken associated with the LTIS.

Background

As a result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. From that point forward, OWEB has been reviewing and updating its priorities, policies, programs and practices with the purpose of best positioning the agency as an effective and successful long-term funder of conservation in Oregon.

In June of 2013, the OWEB Board approved its Long Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring. The LTIS is nested within the agency's mission and strategic plan goals, and touches on nearly all aspects of OWEB's responsibilities.

In carrying out work to implement the LTIS, OWEB set out guiding principles about how the agency would approach updates and changes in programs. Overall, the effort has involved significant engagement of the OWEB Board and staff, as well as stakeholders. OWEB's mission, strategic plan goals, a summary of the LTIS framework and direction, and the guiding principles are included in Attachment A.

The LTIS implementation items listed below involve a considerable amount of work for OWEB staff above and beyond the typical workload. Staff's goal is to carry out these efforts without diminishing the quality of services our stakeholders regularly expect from the agency. Toward that end, OWEB managers have been meeting regularly to coordinate activities and position the agency to make as much progress as possible over the biennium. In addition, OWEB is utilizing internal cross-sectional teams for many of these tasks to ensure we have the expertise needed to inform our direction on policies and processes.

Status of Priority Work Items

The following lists the priority work items for OWEB during the 2013-2015 biennium:

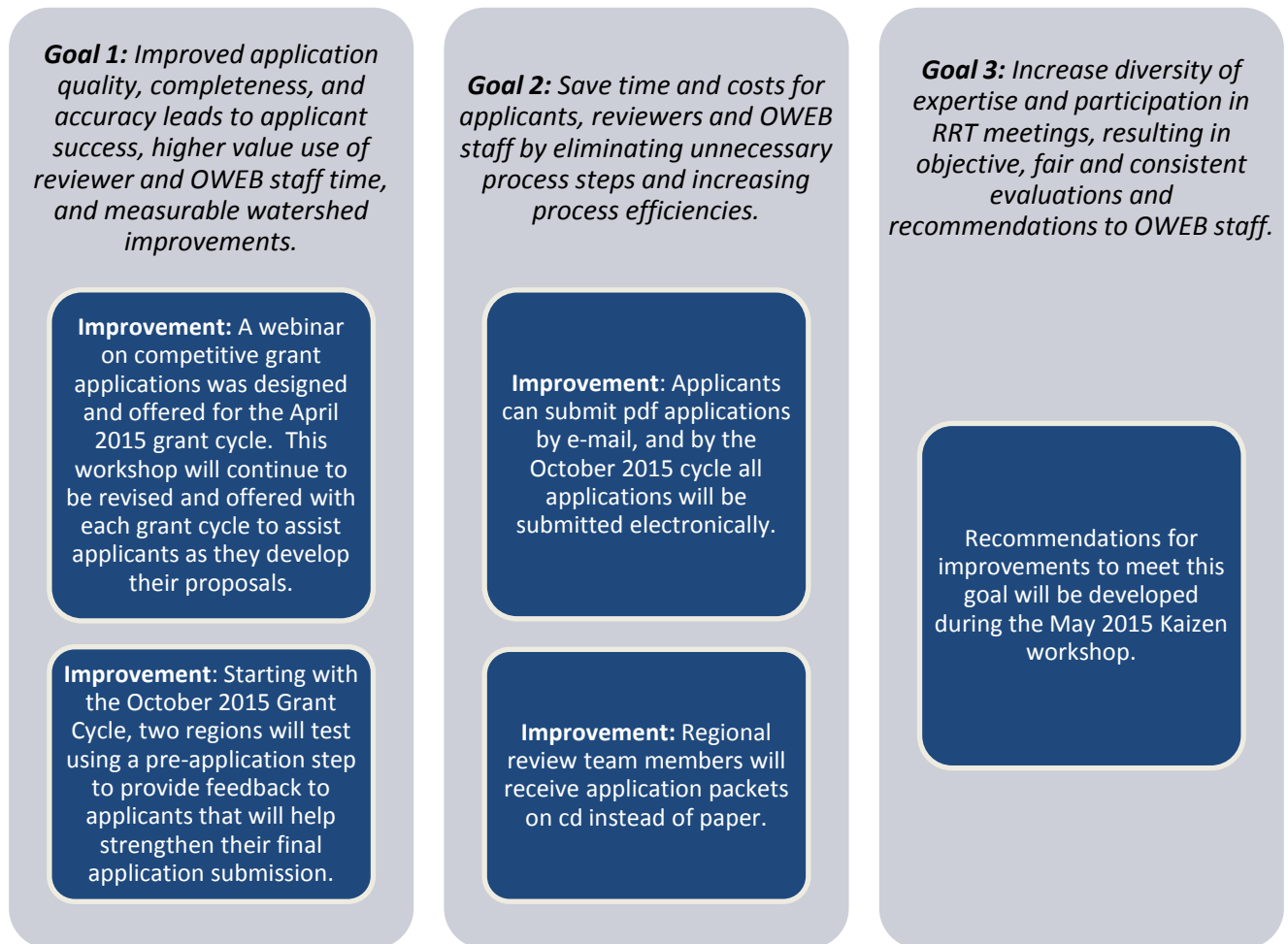
- A. *Develop online grant applications and grant agreements.* OWEB's goal is to improve effectiveness and efficiency of the agency's grant-making processes for applicants, grantees and OWEB staff. OWEB's target is to launch an online grant application/grant agreement web interface during the 2015-2017 biennium.
 1. Grant application streamlining – In Summer 2014, the agency's Leadership Team approved streamlined applications for restoration, technical assistance and monitoring grants, which will replace the current applications when online applications are implemented. Work is underway on streamlining the outreach grant application and an update will be provided at the July 2015 Board meeting.
 2. Online system development – Design and early construction of the components of the online system are underway. OWEB information-system staff have developed the initial schema for the system and now are developing an early version (i.e., a first "alpha" version) of the system. The system is being developed in a way that will support important reporting requirements to funders such as NOAA Fisheries and to

the Legislature, stakeholders and the general public. An update will be provided at the July 2015 Board meeting.

- B. *Continuous Improvement.* The OWEB Leadership Team has adopted a Continuous Improvement (CI) approach to create adaptive, human-centered, and high performance service excellence. OWEB's CI uses a Lean-Kaizen process to assess agency processes, identify waste, and redesign process steps in program delivery that increase efficiency and focus on value added for customers. Lean Kaizen provides tools that (1) promote people effectiveness by providing opportunities to develop decision making and problem solving skills that address inefficiencies; (2) build organizational adaptiveness through exposing problems, testing solutions, and validating outcomes in a process of reflection and learning respectfully to promote innovation; and (3) enable staff to recognize urgency for incremental improvements that increase effectiveness in achieving OWEB's mission.

Introducing Incremental Improvements

During September and December 2014, two Kaizen workshops that included participation from staff, regional review team members and applicants resulted in recommendations for improving OWEB's Open Solicitation grant process. Since these workshops, staff has incrementally introduced recommended improvements to meet goals identified during these workshops as follows:



With introduction of process improvements, staff collects data to measure effects of these changes and determines if improvements should be standardized or needs further adaptation.

May 2015 Application Review Workshop

OWEB is planning an Application Review Workshop for May 2015 to improve the application review and evaluation process. Staff will utilize Board feedback from the recent survey as one piece of data to inform this workshop to assist in developing the best approaches for packaging grant funding recommendations that effectively supports the Board's decision process.

Future Grant Program Process Improvements

Following completion of the Application and Review Workshops, future staff teams will assess and develop improvements for other Regular Grant Program processes (for example, grant awards, grant agreements, and grant management).

C. Outcome-Based Watershed Council Capacity Grants.

In July 2014, the Board adopted administrative rules and implementation guidance for grants that help support the operating capacity of effective watershed councils. On September 15, 2014, OWEB e-mailed and posted instructions for submitting materials needed for OWEB to make its determination of eligibility to apply.

Fifty-nine councils submitted by the November 17, 2014, deadline. The following councils did not submit eligibility materials:

- Bear Creek, Little Butte Creek, and Stream Restoration of the Middle Rogue. These three councils will be merged into the newly formed Rogue River Watershed Council. The Upper Rogue Watershed Association submitted eligibility materials on behalf of the Rogue River Watershed Council, which becomes effective January 1, 2015.
- Pudding River Basin Watershed Council.
- Salem Keizer Area Watershed Councils.

OWEB staff reviewed the uploaded materials for "presence/absence," not for quality. Eight watershed councils were determined ineligible; all eight appealed and were determined to be eligible based on additional information received within the prescribed process and timeline.

By March 2, 2015, all 59 watershed councils submitted Council Capacity Grant applications and work plans. The initial review, which was conducted by OWEB staff, occurred between March 31 and April 6, 2015. The week of April 13, councils were notified of the results of the initial review. Staff determined that 44 councils met all the merit criteria and will be recommended for the highest funding level. Staff also determined that 15 councils did not meet all criteria because OWEB staff had follow-up questions, the council did not meet all the merit criteria, or the council was a new or reorganized council. These councils must participate in the Secondary Review and Interview process. The Secondary Review and Interview process, which involves external reviewers, will occur from May 18-22. Staff will notify councils of the staff funding recommendations by July 6, 2015, and the OWEB Board will make the funding decision at its July Board meeting.

Staff Contact

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180.

Attachment

- A. OWEB Strategic Direction & Principles



OWEB Strategic Direction and Principles

OWEB **OWEB's Mission:** To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Goals

Goals from OWEB's 2010 Strategic Plan

In 2010, the OWEB Board approved a strategic plan with five goals. With the passage of Constitutional Measure 76 and permanent Lottery funding, the Board continues to operate under the strategy.

Goal 1: Adaptive Investment

Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

Goal 2: Local Infrastructure Development

Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Goal 3: Public Awareness and Involvement

Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Goal 4: Partnership Development

Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations, and private landowners for watershed and habitat restoration and conservation.

Goal 5: Efficient and Accountable Administration

Ensure efficient and accountable administration of all investments.

Long-Term Investment Strategy

OWEB's Framework for Grant Investments

In 2013, the Board adopted a Long-Term Investment Strategy that guides its investments of Lottery, federal and salmon plate funding. All of OWEB's investments in ecological outcomes also help build communities and support the local economy. The Board also approved a direction for the investments outlined below. They will continue operating capacity and open solicitation grants and continue focused investments with a gradual increase over time.

Operating Capacity

Operating Capacity Investments support the operating costs of effective watershed councils and soil and water conservation districts. Councils and districts are specifically identified in OWEB's statutes.

Open Solicitation

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

Focused Investments

OWEB helps landscape-scale collaborative partnerships achieve collaboratively prioritized ecological outcomes.

Effectiveness Monitoring

OWEB evaluates and reports on the progress and outcomes of watershed work it supports.



Guiding Principles

Guiding Principles

As the Board developed the Investment Strategy, they did so under established principles for how any changes in OWEB's programs would operate.

Build on accomplishments. The commitment and work of our local partners have resulted in a nationally and internationally recognized approach with unmatched environmental accomplishments. OWEB will build on this foundation.

Effective communication. OWEB is committed to active, two-way communication of ideas, priorities, and results with its staff, partners, potential partners, and the public as a means for developing and maintaining a strong investment strategy and successful cooperative conservation.

Transparency. OWEB values transparency and develops its Long-Term Investment Strategy through an open, transparent process that involves input and dialogue with stakeholders and staff.

Maximize service, minimize disruption. The Board considers how OWEB's grant portfolio impacts partner organizations and staff resources to maximize effectiveness without adversely affecting service delivery.

Responsive. The Long-Term Investment Strategy will adjust to changes in revenue and be responsive to changes in ecological priorities from the Governor, Legislature, the Board, and local partners.

Adapt based on monitoring and evaluation. OWEB's staff and Board monitor and evaluate the effectiveness and implementation of the Long-Term Investment Strategy. The Board shall adapt and modify the strategy as needed to meet its desired goals and outcomes and to improve overall investment success.

Phase-in Change. OWEB's Long-Term Investment Strategy will guide future efforts, is designed to accommodate changes and adjustments made by stakeholders and OWEB staff, and will be periodically revisited.

Operating Principles

Operating Principles to Enhance OWEB Team Work

We will do all we can, individually and as a group, to:

- **Use Good communication--at all levels and in all directions;**
- **Operate with a Team approach;**
- **Follow through on conversations in order to build and maintain needed trust;**
- **Empower staff wherever it is appropriate to do so; and**
- **Have fun while doing important work!**

April 28-29, 2015 OWEB Board Meeting Executive Director Update #P-5: Special Investment Partnership Effectiveness Monitoring Update

Background

OWEB staff is working with partners and the Board to develop a draft framework for the Board to understand and evaluate the extent of progress made by existing Special Investment Partnerships (SIPs). This framework will also guide how Focused Investment Partnership progress is assessed and reported to the Board in the future. A general outline of the framework was presented at the Board meeting in January, and has since been refined based on feedback received at a combined meeting of the focused investments and monitoring board subcommittees in March. The monitoring subcommittee will make additional edits in April and the two committees are scheduled to meet again in April for further refinements.

Staff are focusing on developing one template using the Deschutes SIP as a basis. The latest version will be provided at the April Board meeting. Once the Deschutes template is finalized, staff will move forward with similar templates to report on the Willamette and Upper Klamath SIPs. Staff are working with the Deschutes Partnership to compile additional information to complete this Report once the template is finalized. The Deschutes SIP Report will be finalized and delivered at the Board meeting in July, 2015.

Staff Contact

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180.

**APPROVED BY THE BOARD October 27, 2015
Oregon Watershed Enhancement Board**

**April 28, 2015
OWEB Board Meeting
Salem, Oregon**

Minutes

OWEB Members Present

Dan Thorndike
Eric Quaempts
Debbie Hollen
Will Neuhauser
Lisa Phipps
John Roberts
Bob Webber
Alan Henning
Randy Labbe
Stephen Brandt
Kim Kratz
Doug Krahmer
Cindy Deacon Williams
Morgan Rider
Mike Haske

OWEB Staff Present

Meta Loftsgaarden
Renee Davis
Juniper Davis
Brandi Elmer
Liz Redon
Courtney Shaff
John Amoroso
Sue Greer
Sharon Clarke
Mark Grenbemer
Tom Shafer
Dana Hicks
Wendy Hudson
Eric Hartstein
Troy Wirth
Ken Fetcho
Kathy Leopold
Katie Duzik
Karen Leiendecker
Katy Gunville
Cameo Hungate
Miriam Hulst
Cindy Silbernagel
Tara Choate

Others Present

Liz Vollmer-Buhl
Ian Tattam
Ken Lofferte
Stan Van de Wetering
Jon Wickersham
Karl Morgenstern
Joe Moll
Eric Riley
Anna Rankin
Jerry Nicolescu
Conrad Gowell
Amy Stiner
Laura Brophy
Diane Lloyd
Luke Westphal
Rebecca McCoun
Cheryl McGinnis
Brian Barr
Bob Jones
Meg Mitchell
Jon Souder
Josh Murphy
Kristen Larson
John DeVoe
Denise Hoffert
Clair Klock
Rod Crume
Allen Ehr
Ryan Gordon
Manette Simpson
Rebecca Ley
Nadia Gardner

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies and areas.

B. Review and Approval of Minutes

Minutes of the January 27-28, 2015, Board meeting in Astoria, and March 18, 2015, Board meeting in Salem were presented for approval. Morgan Rider commented that there was a typographical error that should be corrected under OWEB Board Members Present, Morgan Rider should be removed; she did not attend the January Board Meeting.

Dan Thorndike moved to approve the January 27-28, 2015, and March 18, 2015, Board meeting minutes, seconded by Doug Krahmer. Motion passed unanimously.

C. Board Co-Chair Election

Dan Thorndike provided some history of the Co-Chair process and asked the board if there was a need to revisit the practice of having co-chairs with staggered annual elections. There were no comments.

Dan Thorndike stated that Eric Quaempts's seat was up for consideration of a two-year term. Eric had expressed interest in continuing to serve as co-chair.

Randy Labbe moved to re-elect Eric Quaempts to serve as OWEB co-chair for a two-year term, seconded by Morgan Rider. Motion passed unanimously.

D. Sage-Grouse Policy

Richard Whitman, Governor's Natural Resources Director, spoke to the board about the importance of Sage Grouse Conservation, and the need for the board's investment of \$10 million over the next ten years. He spoke about a commitment by the Natural Resources Conservation Service (NRCS) for \$9 million for sage grouse conservation in Oregon, and about the work being done with ranchers to get agreements in place for grazing on their lands to help improve habitats. He also spoke about the need for post-wildfire recovery projects. He talked about the time being critical for commitments to sage grouse conservation in Oregon and throughout the west. He spoke about the Governor's SageCon effort over the last several years to put together a state plan that should be finalized in June of this year.

There was discussion from board members about how the funding would be used specifically through OWEB's grant programs.

Dan Thorndike moved to make available at least \$10 million through OWEB's granting programs over the next ten years in support of projects located in Oregon's sage steppe ecosystem directed to improve greater sage-grouse habitat, along with co-benefits to other species native to this ecosystem. This can include on-the-ground restoration and management projects as well as the technical assistance, capacity, landowner outreach and monitoring necessary to ensure successful habitat improvements. OWEB will track and report investments meeting this criteria. Seconded by Will Neuhauser. Motion passed unanimously.

E. Special Investment Partnership (SIP) Bridge Funding

Executive Director Meta Loftsgaarden provided background on the need for bridge funding to continue investments in the Deschutes, Willamette, and Upper Klamath partnership programs which have been in place since 2008 and 2012. Bridge funding is necessary since a Focused Investment funding decision by the board will not occur until January of 2016. She explained that bridge funding provides no guarantee of future Focused Investment Funding, but would eliminate a gap in funding in the first six months of the 2015-2017 biennium.

Eric Quaempts moved to award up to \$1,950,000 from the 2013-15 Spending Plan to provide transition funding for the Deschutes, Willamette, and Upper Klamath Special Investment Partnerships and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements, with an award date of July 1, 2015, to be used for any grant agreements. Seconded by Cindy Deacon Williams. Motion passed unanimously.

F. Coastal Wetlands Grants

Juniper Davis, Partnerships Coordinator spoke to the board regarding the need to apply to the National Coastal Wetlands Conservation Grant Program for funding in 2016. (see staff report)

Dan Thorndike moved to approve receipt of funding in the amount of \$2,630,577 from the U.S. Fish and Wildlife Service under the 2015 National Coastal Wetlands Conservation Grant Program and delegate authority to the Executive Director to distribute funds through the appropriate grants and agreement in support of the following projects, contingent on the successful award of OWEB state match:

- a. Scholfield Creek Tidal Wetlands Conservation Project, \$630,577;*
- b. Kilchis Wetlands Conservation and Restoration Project, \$1,000,000; and*
- c. China Camp Creek Project, \$1,000,000*

Seconded by Cindy Deacon Williams. Motion passed unanimously.

Dan Thorndike moved to delegate authority to the Executive Director to distribute up to \$600,000 from the 2011 National Coastal Wetlands Conservation Grant Program, Award #FP11AP00490, in support of tidal restoration activities for the Tillamook Bay Wetlands Acquisition and Restoration Project. Seconded by Cindy Deacon Williams. Randy Labbe and Lisa Phipps, recused; motion passed unanimously.

Dan Thorndike moved to approve the submission of an application for the Ecola Creek Wetlands Protection and Restoration project to the U.S Fish and Wildlife Service's 2016 National Coastal Wetlands Conservation Grant Program. This application for federal funds is contingent on approval by the Legislature. Seconded by Cindy Deacon Williams. Motion passed unanimously.

G. Pending Regular Grant Applications

Courtney Shaff, Grant Program Coordinator, provided background information on the October 20-21, 2014, grant cycle. (see staff report)

Public Comment

- Rod Crume, Property Owner, commented in opposition of 215-2043, Fiedler Dam removal. Provided handout.

- Allen Ehr, Environmental Specialist, commented in opposition of 215-2043, Fiedler Dam removal. Provided handout.
- Brian Barr, Rogue River Watershed Council, commented in support of 215-2043 Fiedler/Wimer Dam removal.
- Ken Lafrink, ODFW, spoke in support of 215-204, Fiedler/Wimer Dam removal.
- Denise Hoffert, American Rivers, commented in support of 215-2043, Fiedler/Wimer Dam.
- John DeVoe, Executive Director, WaterWatch of Oregon, commented in support of 215-2043 and 215-2040
- Josh Murphy, Salmon Drift Creek Watershed Council, spoke in favor of 215-1030
- Laura Brophy, Estuary Technical Group, Institute for Applied Ecology, spoke in support of 215-1033
- Jon Souder, Coos Watershed Association, spoke in support of 215-2037

G-1. 2015-17 Grant Cycles and Board Meeting Schedule

Meta Loftsgaarden, Executive Director and Dana Hicks, Interim Grant Program Manager, discussed the proposed regular grant cycles and the board meeting schedule for the 2015-17 biennium. (see staff report)

There were comments from the Board about the potential to shift meeting dates and/or grant cycle deadlines. Staff will provide feedback at the July Board meeting.

Will Neuhauser moved to adopt the 2015 – October 2016 schedule of grant application deadlines and Board meeting dates, as shown in Attachment A to the staff report. This schedule may change based on pending and future PCSRF awards, and add Monitoring and Outreach to the second grant cycle. Seconded by Morgan Rider. Motion passed unanimously.

Staff then presented an overview/summary of their region's grant submissions, either in total or highlighting a specific project.

Tom Shafer, Interim Regional Program Representative for Region 1, along with Katie Duzik, Regional Program Representative for Region 1 provided an informational report to the board on 215-1031, Mill Creek Siletz Watershed Effectiveness Monitoring.

Mark Grenbemer, Regional Program Representative for Region 2 provided an informational update to the board on 215-2043, which includes Fiedler and Wimer Dam.

Liz Redon, Regional Program Representative for Region 3 provided an informational update to the board on the Upper Sandy River Habitat Restoration Project, 215-3046.

John Amoroso, Regional Program Representative for Region 4, provided an update on Upper Thomas Creek Restoration Phase III, 215-4032 and 215-4026.

Karen Leiendecker, Regional Program Representative for Region 5, highlighted the High Desert Youth Range Camp, 215-5047.

Sue Greer, Regional Program Representative for Region 6, provided the board with an update on the Mid-Columbia Region, 215-6050, Badger Creek, she noted, this is the number 1 ranked project in her region.

Cindy Deacon Williams moved to approve the staff funding recommendation as shown in the gray-shaded section of Attachment A to Region 3 for project 215-3048, seconded by Doug Krahmer. Will Neuhauser recused, motion passed unanimously.

Cindy Deacon Williams moved to approve the staff funding recommendation as shown in the gray-shaded section of Attachment A to Region 1 for project 215-1036 as recommended \$582,358, seconded by Eric Quaempts. Lisa Phipps and Randy Labbe recused, motion passed unanimously.

Cindy Deacon Williams moved to approve the staff funding recommendation as shown in the gray-shaded section of Attachment A to Region 1 for project 215-1038 for \$109,715, seconded by Eric Quaempts. Lisa Phipps recused, motion passed unanimously.

Cindy Deacon Williams moved to approve 215-1030 for \$34,000, seconded by Morgan Rider, motion passed unanimously.

Cindy Deacon Williams moved to approve the staff funding recommendation as shown in the gray-shaded sections of Attachment A to the Region 1, 2 3, 4, 5 and 6, staff reports not previously covered by separate motions, seconded by John Roberts. Motion passed unanimously.

H. Public Comment – General

- Liz Vollmer-Buhl, Siuslaw Watershed Council commented on updates to past projects.
- Joe Moll, McKenzie River Trust, provided an update with aerial footage on a project previously funded by OWEB (CARP Restoration Project).
- Anna Rankin, Pudding River Watershed Council, provided an informational update to the board.
- Allen Ehr commented to the board on the toxin issue near Fiedler/Wimer Dam.

I. Voluntary Incentives Program Funding Request

Dana Hicks, Interim Grant Program Manager, requested board action on the transition of the McKenzie River Voluntary Incentives Program (VIP) from the pilot phase to full program implementation. (see staff report) Karl Morgenstern, Eugene Water and Electric Board spoke to the board about how this program will be utilized and the need for it.

Dan Thorndike moved to award \$146,195 for the purposes outlined in Section IV and Attachment B of the staff report and delegate authority to the Executive Director to enter into appropriate agreements to distribute the funds. Of the awarded funds, \$76,575 is to come from the Ecosystem Services line item and \$69,620 from the Effectiveness Monitoring line item in the Board's 2013-15 Spending Plan. Seconded by Morgan Rider. Will Neuhauser recused, motion passed unanimously.

J. Land and Water Acquisition Grant Awards

Renee Davis, Deputy Director, provided a brief introduction of the program. (see staff report)

Public Comment

- Nadia Gardner, Columbia Land Trust, spoke in support of the project.

Renee Davis, Deputy Director, and Miriam Hulst, Acquisitions Specialist, provided recommendations to the board for grant funding for the October 2014 land acquisition grant cycle.

Cindy Deacon Williams moved to award funding for land acquisition grants as specified in Attachment A of the staff report, with the project-specific conditions detailed in Attachment C, and delegate authority to the Executive Director to enter into agreements to distribute the funds. Funding in the amount of \$262,119 for Application No. 215-9901 is provided entirely through the National Coastal Wetlands Conservation Grant Program. Funding for Application No. 215-9904 is a combination of \$547,500 in Measure 76 Lottery funds and \$505,635 in funding from the National Coastal Wetlands Conservation Grant Program, contingent on approval by the U.S. Fish and Wildlife Service of a budget change amendment. Seconded by Doug Kraemer, motion passed unanimously.

Cindy Deacon Williams moved to award funding for land acquisition grants specified in Attachment A of the staff report, with the project-specific conditions detailed in Attachment C, and delegate authority to the Executive Director to enter into agreements to distribute the funds for 215-990 in the amount of \$262,119 for Region 1, Kilchis Wetlands, seconded by Doug Kraemer. Randy Labbe recused, motion passed unanimously.

Cindy Deacon Williams moved to award funding for land acquisition grants specified in Attachment A of the staff report, with the project-specific conditions detailed in Attachment C, and delegate authority to the Executive Director to enter into agreements to distribute the funds for 215-9902 for Region 1, Tillamook Head-Boneyard in the amount of \$508,400. Seconded by John Roberts. Lisa Phipps recused, motion passed unanimously.

Cindy Deacon Williams moved to award funding for land acquisition grants specified in Attachment A of the staff report, with the project-specific conditions detailed in Attachment C, and delegate authority to the Executive Director to enter into agreements to distribute the funds for 215-9903, Region 1, Lower Fivemile Creek in the amount of \$104,375; 215-9904, Region 2, Scholfield Creek in the amount of 519,845; and 215-9907, Region 4, Mill Creek Ridge-Paintbrush Meadows in the amount of \$400,500. Funding for application 215-9904 is a combination of \$547,500 in Measure 76 Lottery funds and \$505,635 in funding from the National Coastal Wetlands Conservation Grant Program, contingent on approval by the U.S. Fish and Wildlife Service of a budget change amendment. Seconded by Will Neuhauser, motion passed unanimously.

Will Neuhauser moved to award funding for land acquisition grants specified in Attachment A of the staff report, with the project-specific conditions to be developed by staff and delegate authority to the Executive Director to enter into agreements to distribute the funds, for 215-9906, Region 1 Westport Slough project. Seconded by Bob Webber. Motion failed 4 no votes vs. 5 yes votes. Cindy Deacon Williams abstained.

There was board discussion around the highly altered state of the project and maintenance of this property in that state. There was also discussion about the project returning from a subsequent grant cycle.

K. Spending Plan Presentations and Discussion

See presentations for each spending plan line item.

- Courtney Shaff, Grant Program Coordinator, provided information on Council Capacity in relation to the OWEB Strategic Plan and Long Term Investment Strategy Programs.
- John Byers, Oregon Department of Agriculture, provided information on District Capacity.
- Juniper Davis, Partnerships Coordinator, provided some history of the Conservation Reserve Enhancement Program.
- Tim Butler and Tristen Berg from the Oregon Department of Agriculture provided some background and information on the Noxious Weed Program.
- Kathy Leopold, Small Grant Program Coordinator, provided an overview of the Small Grant Program.
- Meta Loftsgaarden, Executive Director, provided an overview of the Transfers to Other Agencies. She explained that the distributions are made at the direction of:
 - Legislature
 - Governor

She provided examples of the type and history of these types of transfers:

- Pacific Coastal Salmon Recovery Funds (PCSRF)
- Measure 76 Grant Funds

**APPROVED BY THE BOARD October 27, 2015
Oregon Watershed Enhancement Board**

**April 29, 2015
OWEB Board Meeting
Salem, Oregon**

Minutes

OWEB Members Present

Dan Thorndike
Eric Quaempts
Debbie Hollen
Lisa Phipps
Will Neuhauser
Bob Webber
John Roberts
Alan Henning
Randy Labbe
Kim Kratz
Stephen Brandt
Doug Krahmer

OWEB Staff Present

Meta Loftsgaarden
Renee Davis
Dana Hicks
Liz Redon
Courtney Shaff
Juniper Davis
John Amoroso
Sharon Clarke
Sue Greer
Brandi Elmer
Tom Shafer
Eric Hartstein
Andrew Dutterer
Ken Fetcho
Troy Wirth
Karen Leiendecker
Cindy Silbernagel
Wendy Hudson
Kathy Leopold

Others Present

Jen Bayer
Brian Barr
Brian Jenkins
Luke Westphal
Bruce Taylor
Kelly Coates
Kristen Larson
Mark Stern
Matt Ruwaldt
Paul Robertson
Stephen Wille
Sarah Dyrdaahl
Lance Wyss
Crystal Durbecq
Heath Keirsted
Karl Morgenstern
Tom Wolf
Clair Klock
Ken Bierly
Jon Souder
John Hogerworst
Ryan Gordon
Jerry Nicolescu

K. Spending Plan Presentations and Discussion (continued)

- Dana Hicks, Interim Grant Program Manager, provided background and historical information on the Open Solicitation and Restoration process. This included informational reports on the Open Solicitation and Restoration process and the Open Solicitation and Outreach programs.
- Renee Davis, Deputy Director, provided an update on the Land and Water Acquisitions process and history.
- Renee Davis, Deputy Director, provided a summary of past partnership investments and history of the Focused Investment program, including implementation and capacity.
- Meta Loftsgaarden, Executive Director, provided a summary of the Oregon Plan, Governor's Priorities. She provided the history of the program, which included: Salmon Strongholds; Coastal Coho Business Plan; Sage Grouse Action Plan; Klamath Basin Comprehensive Agreement and Working Farms and Forests Conservation Easements.

- Ken Fetcho, Effectiveness Monitoring Coordinator, discussed Open Solicitation Monitoring Grants and provided a summary and history of the program. He went on to discuss and provide information to the board on the Long Term Investment Strategy and how that ties in with Effectiveness Monitoring.

Spending Plan Discussion:

Meta Loftsgaarden, Executive Director, discussed the options that the Board has to decide upon regarding adopting a Spending Plan for 2015-17. This was an informative item, the board will be asked to adopt a spending plan at the July Board Meeting.

Some comments and questions from board members included:

- Why the increase in Open Solicitation?
- Timetable for Rogue Merger – do we have more information on this?
- Percentage increases in specific categories – why?
- How to determine how much we want to spend – when looking at Options in A and B
- Why the decrease in outreach?
- How to determine what to prioritize and how to allocate – since there is nothing obvious to cut out.
- How will this affect the Focused Investment process?
- Strategic Plans and applications should be developed so that this is a built-in feature
- What does Open Solicitation Effectiveness Monitoring mean?
- Effectiveness Monitoring should be linked back into all of OWEB's processes and how it is being used to intersect back into the process.
- We should be looking at lessons learned through the Grant Process.
- Effectiveness Monitoring throughout all of the programs are very important. It helps to build better projects.
- Water quality projects and their results should be tracked.
- Differences in options – adjustments to make include: Reduce Small Grants to \$1.3 million; put \$1 million into restoration and \$300,000 into SWCD's.
- We should take a more cautious approach.
- Option A is favorable.
- Option A and B are both cautious – one is a little more cautious than the other.
- How much is allocated now in Open Solicitation for Focused Investments.
- Support of Option B – will help OWEB to move forward.
- We could be stuck with Focused Investments that we decide to make .
- Amounts are subject to change.
- Need a spreadsheet/table of how many projects can be funded with dollar amounts before the next board meeting.
- Next meeting – summary of staff capacity for Focused Investment Partnerships.

Executive Director Loftsgaarden reminded the board that they would have one additional revenue forecast in May and asked the board if the two options that staff will bring in July should look different from the options that were provided here.

Meta Loftsgaarden – Mid-June – July 1, 2015 staff will provide the information requested above.

L. Public Comment -- General

- Jen Bayer, USGS/Pacific Northwest Aquatic Monitoring Partnership commented on the need for specific support for monitoring, it is very important to OWEB's work.
- Ryan Gordon and Jerry Nicolescu commented on considerations to be made regarding the Spending Plan and Small Grants and added that Outreach should be considered.
- Kristen Larson, Luckiamute Watershed Council, spoke in support of Outreach in the Spending Plan, and asked the board consider keeping it whole.
- Kelley Beamer, Coalition of Oregon Land Trusts, commented on the importance of the Land Acquisition Program, and stated that it is a good investment of state dollars.
- Bruce Taylor, Oregon Habitat Joint Venture, commented on Westport land acquisition issues.
- Crystal Durbecq, Benton County Soil and Water Conservation District, commented in support of the Weed Board Program and projects supported through OWEB dollars.

M. Focused Investments – Approval of Final Priorities and Revised Solicitation Process for Focused Investments

Renee Davis, Deputy Director, briefed the board on the priority-setting process and work that has recently taken place within the focused investment program. She walked through some of the differences that the board would see from the discussion in March at the board meeting.

Public Comment

- Ken Bierly, High Desert Partnership, commented on support for inclusion of closed basins as a priority and in general the focused investment process.
- Jon Souder, Coos Watershed Association, commented in support for Coastal Coho and Estuary focus and concerns about implementation.
- Bruce Taylor, Oregon Habitat Joint Venture commented in support of sage brush habitat and in support of estuaries as they relate to the focused investment process.
- Johan Hogerworst, USFS, commented on support for the McKenzie Focused Investment Partnership.
- Karl Morgenstern, Eugene Water and Electric Board, commented in support of the McKenzie Focused Investment Partnership.
- Kelly Coates, Cow Creek Tribe, commented on the Focused Investment Partnership and asked to include the Rogue.

Renee Davis, Deputy Director, went through each of the categories with the board and asked if there were any clarifying questions.

- 1) Sagebrush/Sage-Steppe Habitat
- 2) Oregon Closed Lake Basin Wetland Habitat
- 3) Dry-type Forest Habitat
- 4) Oak Woodland and Prairie Habitat
- 5) Coastal Coho Habitat and Populations
Note: Change name to: Coho Habitat and Populations along the Oregon Coast
- 6) Inland Aquatic Habitat for Native Fish Species
Note: Drop Inland in title

7) Coastal Estuaries

Additional Comments and Suggestions from the Board:

- Make maps full size
- Make sure PAC core is clear (legend)
- Add Tribal Plans in the future
- Add to legend what “cream” color is on Oak Woodlands
- Aquatic fish – questions about map and how it was drafted
- Could incorporate lamprey into aquatic – include Chub?
- Only Dry-Type, Oak Woodland and Sage-Grouse ensure evaluation to ensure no detrimental impact to aquatic

Dan Thorndike moved to approve SAGEBRUSH/SAGE-STEPPE HABITAT as a Focused Investment Priority for 2015-17, seconded by Lisa Phipps. Motion passed unanimously.

Dan Thorndike moved to approve OREGON CLOSED LAKES BASIN WETLAND HABITATS as a Focused Investment Priority for 2015-17, seconded by Lisa Phipps. Motion passed unanimously.

Dan Thorndike moved to approve DRY-TYPE FOREST HABITAT as a Focused Investment Priority for 2015-17, seconded by Will Neuhauser. Motion passed unanimously.

Dan Thorndike moved to approve OAK WOODLAND AND PRAIRIE HABITAT as a Focused Investment Priority for 2015-17, seconded by Cindy Deacon Williams. Motion passed unanimously.

Dan Thorndike moved to approve COHO HABITAT AND POPULATIONS ALONG THE COAST as a Focused Investment Priority for 2015-17, seconded by Lisa Phipps. Motion passed unanimously.

Cindy Deacon Williams moved to approve AQUATIC HABITAT FOR NATIVE FISH FOCAL AREA as displayed in Attachment C-6 with modifications that the Rogue Basin in Southwest Oregon reflected in the Oregon Coho map and covered by the Coho and Lamprey Plans be included in this map with color determination as determined by staff, as a Focused Investment Priority for 2015-17, seconded by Dan Thorndike. Motion Passed with Doug Krahmer voting against.

Dan Thorndike moved to approve COASTAL ESTUARIES as a Focused Investment Priority for 2015-17, seconded by Lisa Phipps. Motion passed unanimously.

Dan Thorndike moved to approve the revised solicitation timeline for the Focused Investment Partnership program as described in Attachment D of the staff report, seconded by Cindy Deacon Williams. Motion passed unanimously.

N-1. Oregon Plan/Governor’s Priorities Funding Request – Working Land Easement Support

Executive Director Meta Loftsgaarden provided information on a \$25,000 request from the Oregon Plan/Governor’s Priorities Line Item to support a coordinated effort for working land easements in Oregon.

Public Comment

- Clair Klock provided comment to the board on Conservation Easements and also commented on Land Easements purchased by Department of State Lands.

Eric Quaempts moved to approve to provide up to \$25,000 from the Oregon Plan/Governor’s Priorities spending plan line item to support working land conservation

easement infrastructure, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements, with an award date of April 29, 2015, to be used for any grant agreement(s). Seconded by Randy Labbe. Motion passed unanimously.

N-2 Oregon Plan/Governor's Priorities Funding Request -- Clean Water Partnership and Clean Water Fund

Meta Loftsgaarden, Executive Director, provided information on the Clean Water Partnership. Staff requested the Board invest \$100,000 to support implementation of the Clean Water Partnership.

Will Neuhauser moved to approve up to \$100,000 from the Oregon Plan/Governor's Priorities spending plan line item to support implementation of the framework outlined in Section IV of the staff report, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements, with an award date of April 29, 2015 to be used for any grant agreement(s). Seconded by Lisa Phipps. Motion passed unanimously.

O. Relocation Policy

Meta Loftsgaarden, Executive Director, provided some background on the relocation policy, and what the existing relocation policy involves. The request from DOJ and OWEB's due diligence contractor is to rescind the current policy, due to some recent information that has surfaced which could result in applicants attempting to address legal requirements that are best addressed by, and most directly applicable to OWEB. Staff recommend the board rescind the current policy and allow staff to develop a process for OWEB to address relocation for land acquisition grants. (see staff report for more information)

Dan Thorndike moved to rescind the current relocation policy, which was adopted by the Board in July 2014, seconded by Lisa Phipps. Motion passed unanimously.

P. Executive Director Update

See staff reports for additional information.

- Meta Loftsgaarden, Executive Director, and Eric Hartstein, Senior Policy Coordinator, provided updates on the budget and legislative process.
- Meta Loftsgaarden, Executive Director, updated the board on the KPM revision process and said that there will be work done with the Executive Committee and Board to develop OWEB's KPM's.
- She updated the board on the Salmon Plate Policy that would change the way that those funds are used into the future. Staff are proposing two options to bring to the board for consideration at the July board meeting.
- She updated the board on the Long-Term Investment Strategy and the status of the work items within the strategy. She highlighted the great deal of work done by staff in the Continuous Improvement area.
- Ken Fetcho, Effectiveness Monitoring Coordinator, discussed the Deschutes Special Investment Partnership template and how staff are working to integrate the subcommittee and board's suggestions for reporting.

Having no further business, the meeting was adjourned.



OWEB Oregon Watershed Enhancement Board Meeting Agenda

Oregon Watershed Enhancement Board

July 28-29 2015

Tuesday, July 28, 2015

Crook County Open Campus

Rooms 119-120

510 SE Lynn Blvd.

Prineville, OR 97754

Directions: http://www.cocc.edu/prineville_location_map/

Business Meeting – 8:00 a.m.

During the public comment periods (Agenda Items D and E) anyone wishing to speak to the Board on specific agenda items is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. ***The Board encourages persons to limit comments to three to five minutes.***

A. Board Member Comments

Board representatives from state and federal agencies will provide an update on issues related to the natural resource agency they represent. This is also an opportunity for public and tribal Board members to report on their recent activities and share information and comments on a variety of watershed enhancement and community conservation-related topics. *Information item.*

B. Review and Approval of Minutes

The minutes of the April 28-29, 2015 Board meeting in Salem will be presented for approval. *Action item.*

C. Conflicts of Interest – Board Review of Guidelines

Meta Loftsgaarden, Executive Director, and Eric Hartstein, Senior Policy Coordinator, will lead the Board in a review of guidelines for public officials on conflicts of interest under Oregon Ethics law. *Information item.*

D. 2015-2017 Spending Plan including Public Comment

Prior to hearing public comment, Meta Loftsgaarden, Executive Director, will provide background information on the proposed spending plan for the 2015-2017 biennium. The Board has reserved time for public comment (at approximately 9:45 a.m.) on the spending plan. After hearing public comment, Director Loftsgaarden will lead a discussion with the Board on the proposed spending plan. *Action item.*

E. Public Comment [approximately 11:20 a.m.]

This time is reserved for general public comment, as well as other matters before the Board. (Note: Earlier in the day, a separate public comment period is available within Agenda Item D for the 2015-2017 Spending Plan).

F. Executive Director Update

Meta Loftsgaarden, Executive Director, will update the Board on agency business and late-breaking issues. *Information item.*

Tour – 1:30 p.m.

The Board and OWEB staff will tour projects associated with the Deschutes Special Investment Partnership funded by OWEB. Transportation will be provided for OWEB Board members and staff. Anyone is welcome to join the tour, but please be prepared to provide your own transportation with 4-wheel drive required.

Informal Reception – 5:00-6:00 p.m.

The public is invited to join the OWEB Board and staff at a reception sponsored by the City of Prineville, Crook County SWCD, Crooked River Watershed Council, Deschutes Land Conservancy, Deschutes Land Trust, Jefferson County SWCD, Middle Deschutes Watershed Council, Three Sisters Irrigation District, Upper Deschutes Watershed Council, and other local partners.

Location: Crook County Open Campus, Foyer
510 SE Lynn Blvd.
Prineville, OR 97754

Wednesday, July 29, 2015**Business Meeting - 8:00 a.m.**

During the public comment periods (Agenda Items H and L) anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. ***The Board encourages persons to limit comments to three to five minutes.***

G. Klamath Basin Stakeholders Presentation

Stakeholders from the Klamath Basin will provide a brief presentation to the Board about collaborative restoration efforts in the Klamath. *Information item.*

H. Public Comment [approximately 8:20 a.m.]

This time is reserved for general public comment, as well as other matters before the Board. (Note: Later in the day, a separate public comment period is available within Agenda Item L for 2015-2017 Council Capacity Grant Awards).

I. Salmon License Plate Policy

Meta Loftsgaarden, Executive Director, and Eric Hartstein, Senior Policy Coordinator will request Board action on a Salmon License Plate policy that will determine how revenues from salmon license plates will be incorporated into the Open Solicitation grant program. *Action item.*

J. Oregon Department of Agriculture (ODA) Strategic Implementation Areas

ODA staff will provide the Board a presentation on agency Strategic Implementation Areas, where select areas around the state will receive focused outreach and education to address priority water quality concerns. *Information item.*

K. 2015-2017 Council Capacity Grant Awards including Public Comment

Courtney Shaff, Capacity Coordinator, will provide the Board an update on the 2015-2017 Council Capacity eligibility and merit review process. The Board will hear public comment (at approximately 10:20 a.m.) on Council Capacity grant awards. Proposals and funding recommendations will be discussed and acted on by the Board. *Action item.*

L. Building Capacity Grant: Shared Services Model Update

Courtney Shaff, Capacity Coordinator, and staff from Cascade Pacific Resource Conservation and Development will provide the Board an update on a Building Capacity grant awarded in November, 2013 to expand strategic collaboration in the Willamette Basin. *Information item.*

M. Executive Director Update (Continued from Day 1)

Meta Loftsgaarden, Executive Director, will continue to update the Board on agency business and late-breaking issues. *Information item.*

Meeting Procedures

Generally, agenda items will be taken in the order shown. However, in certain circumstances, the Board may elect to take an item out of order. To accommodate the scheduling needs of interested parties and the public, the Board may also designate a specific time at which an item will be heard. Any such times are indicated on the agenda.

Please be aware that topics not listed on the agenda may be introduced during the Board Comment period, the Executive Director's Update, the Public Comment period, under Other Business or at other times during the meeting.

Oregon's Public Meetings Law requires disclosure that Board members may meet for meals on Monday, Tuesday, and Wednesday.

Voting Rules

The OWEB Board has 17 members. Of these, 11 are voting members and six are ex-officio. For purposes of conducting business, OWEB's voting requirements are divided into two categories – general business and action on grant awards.

General Business

A general business **quorum is six voting members**. General business requires a majority of **all** voting members to pass a resolution (not just those present), so general business resolutions require affirmative votes of **at least six** voting members. Typical resolutions include adopting, amending or appealing a rule, providing staff direction, etc. These resolutions cannot include a funding decision.

Action on Grant Awards

Per ORS 541.360(4), special requirements apply when OWEB considers action on grant awards. This includes a special **quorum of at least eight voting** members present to take action on grant awards, and affirmative votes of at least six voting members. In addition, regardless of the number of members present, **if three or more voting members object** to an award of funds, the proposal will be rejected.

Public Testimony

The Board encourages public comment on any agenda item.

General public comment periods will be held on Tuesday, July 28 at 11:20 a.m. and Wednesday, July 29 at 8:20 a.m. for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table).

The Board encourages persons to limit comments to three to five minutes.

Tour

The Board may tour local watershed restoration project sites. The public is invited to attend, however transportation may be limited to Board members and OWEB staff. If you wish to join the tour, be prepared to provide your own transportation.

Executive Session

The Board may also convene in a confidential executive session where, by law, only press members and OWEB staff may attend. Others will be asked to leave the room during these discussions, which usually deal with current or potential litigation. Before convening such a session, the presiding Board member will make a public announcement and explain necessary procedures.

Questions?

If you have any questions about this agenda or the Board's procedures, please call Brandi Elmer, OWEB Board Assistant, at 503-986-0181. If special physical, language or other accommodations are needed for this meeting, please advise Brandi Elmer (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

Oregon Watershed Enhancement Board Membership

Voting Members

Board of Agriculture member: **Doug Krahmer**
Environmental Quality Commission member: **Morgan Rider**
Fish and Wildlife Commission member: **Bob Webber**
Board of Forestry member: **Cindy Deacon Williams**
Water Resources Commission member: **John Roberts**
Public member (tribal): **Eric Quaempts, Board Co-Chair**
Public member: **Lisa Phipps**
Public member: **Will Neuhauser**
Public member: **Randy Labbe**
Public member: **Dan Thorndike, Board Co-Chair**
Public member: **Karl Wenner**

Non-voting Members

Representative of NMFS: **Kim Kratz**
Representative of Oregon State University Extension Service: **Stephen Brandt**
Representative of U.S. Forest Service: **Debbie Hollen**
Representative of U.S. BLM: **Mike Haske**
Representative of U.S. NRCS: **Ron Alvarado**
Representative of U.S. EPA: **Alan Henning**

Contact Information

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, Oregon 97301-1290
503-986-0178
Fax: 503-986-0199
www.oregon.gov/OWEB

OWEB Executive Director – Meta Loftsgaarden

meta.loftsgaarden@state.or.us

OWEB Assistant to Executive Director and Board – Brandi Elmer

brandi.elmer@state.or.us
503-986-0181

2014-2016 Board Meeting Schedule (Proposed)

2014	2015	2016
January 28-29 in Portland	January 27-28 in Astoria	January 26-27 location TBD
April 29-30 in Bandon	April 28-29 in Salem	April 26-27, location TBD
July 29-30 in The Dalles	July 28-29 in Prineville	July 26-27 location TBD
October 28-29 in Grants Pass	October 27-28 in John Day	October 25-26 location TBD

For online access to staff reports and other OWEB publications check our web site:

www.oregon.gov/OWEB.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
Eric Hartstein, Senior Policy Coordinator
SUBJECT: **Agenda Item C: Conflicts of Interest-Oregon Government Ethics Commission Guidance**
July 28-29, 2015 OWEB Board Meeting

I. Introduction

This staff report provides a review of conflicts of interest for public officials under Oregon Government Ethics law. OWEB Board members are considered public officials under Oregon law and must comply with statutes and rules governing ethics. The Oregon Government Ethics Commission provides guidance to public officials with regard to conflicts of interest. OWEB periodically reviews guidance on conflicts of interest to ensure that Board actions are in accordance with this guidance.

II. Conflicts of Interest

There are two types of conflicts of interests defined by Oregon Government Ethics law: 1) actual conflicts of interest and 2) potential conflicts of interest. An “actual conflict of interest” is any action, decision, or recommendation made by a Board member that would financially benefit the Board member, the Board member’s relative, or business that the Board member or Board member’s relative is associated. A “potential conflict of interest” is any action, decision, or recommendation made by a Board member that could financially benefit the Board member, the Board member’s relative, or business that the Board member or Board member’s relative is associated.

Under Oregon Government Ethics law, a business includes nonprofit corporations that are tax-exempt under section 501(c) of the Internal Revenue Code. However under the law, conflicts of interests arise only for paid employment with nonprofit corporations. If an OWEB Board member is also an unpaid board member of a nonprofit corporation, the Board member would be exempt from the requirement to announce a conflict of interest when considering items before the Board related to the nonprofit corporation.

If a Board member is faced with an actual or potential conflict of interest, the Board member must announce or disclose the nature of a conflict of interest. Following the public announcement of a potential conflict of interest, the Board member may participate in actions on the issue that brought up the conflict of interest. Following the public announcement of an actual conflict of interest, the Board member must refrain from any discussion or debate on the issue that gave rise to the conflict of interest.

In the unusual circumstance where all voting Board members are present and multiple actual conflicts of interest amongst Board members would prevent the Board from

taking official action due to quorum requirements, the Board members declaring actual conflicts of interest may vote. However, the Board members declaring actual conflicts of interest may not participate in the discussion leading to the vote.

III. Recommendation

This is an information item, no action is required.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item D: Spending Plan**
July 28-29, 2015 OWEB Board Meeting

I. Introduction

This report provides two options for the Board's consideration of the 2015-17 Spending Plan. Options are provided based on direction given by the Board at the October 2014, January 2015 and April 2015 Board meetings. Staff will provide a set of single decision points on specific spending plan line items, including: Small Grants, Operating Capacity and Outreach Grants. Staff will recommend line items for additional investment if funds become available. Then, staff will seek a Board decision between the two spending plan options.

II. Background

After the Oregon Legislature approves OWEB's budget at the beginning of each biennium, the Board considers and approves a spending plan for the distribution of grant funding. The OWEB Spending Plan guides the agency's grant investments for the biennium. Available funding for the Board to distribute includes Measure 76 Lottery, federal, and salmon license plates, with the bulk from Measure 76 and the federal Pacific Coastal Salmon Recovery Fund (PCSRF). PCSRF funds have been a significant component of OWEB's budget since 2000, accounting for approximately one-third of OWEB's total funds. The Oregon Legislature routinely allocates PCSRF funding based on estimated federal grant awards over two years.

At its June 2013 meeting, the Board adopted a 2013-2015 Spending Plan totaling \$67.47 million. In July 2014, the Board updated the spending plan to include additional PCSRF monies, as well as funding transfers to other agencies. Attachment A shows the 2013-2015 Spending Plan, total Board awards to date, and funds remaining in each line item as of April 2015. Attachment A will be provided with the Board binders in early July to account for end-of-biennium allocations.

III. 2015-2017 Spending Plan Development

Based on the May 2015 revenue forecast plus previous biennia estimated ending balances, it is estimated that \$58 million will be available for grant distribution through Measure 76 Lottery Funds. This is an increase of \$2 million over estimates from the February revenue forecast. Up to \$25 million of PCSRF funding is estimated to be available as well. A portion of these funds are legislatively directed to be transferred to the Oregon Department of Fish and Wildlife (ODFW). For Lottery funding, the amount is strictly dependent on revenues received. For PCSRF funding, the amount available depends on OWEB's successful receipt of PCSRF funding through their competitive grant process. There are limitations on eligible uses of the available PCSRF funds

based on NOAA recovery priorities and grant types (restoration, TA and monitoring are all allowed). PCSRF funds are also used for OWEB and ODFW staff. Of the \$25 million, it is assumed that approximately \$9.8 million would be invested in OWEB's grant program.

In October 2014, the Board discussed how the spending plan should be organized within the Long-Term Investment Strategy (LTIS) Framework to accurately reflect how funds have been spent. Staff re-organized the spending plan accordingly in the attachments to this staff report. In January 2015, the Board provided feedback on three approaches for the spending plan; and in April 2015, staff presented two options.

IV. Spending Plan Decision Points

At its April 2015 Board meeting, Board members asked for additional information on Small Grants, Restoration, Acquisitions, Capacity and Focused Investments. Responses to those requests are contained in Attachment B to the staff report. Based on feedback over the last year and background contained in Attachment B, staff recommend decisions on a subset of spending plan line items, then an overall decision between two spending plan options. For each component, staff's recommendation is included in both options of the spending plan. Justification for the staff's recommendation is provided below.

Decision 1: Outreach Funding

The Board heard testimony at the April 2015 meeting to increase funding for Outreach Grants. Staff proposes two items to address that request. First, based on Measure 76 revenue increases, staff propose a \$100,000 increase in outreach grants for the spending plan. Second, staff propose that, if additional funds become available, Outreach would increase.

Decision 2: Small Grants

The Board discussed the value of Small Grants and the level of investment. Staff recommend the spending amount remain level – it has not increased since the Board adopted the program in 2002. Staff also propose to complete a review of the program in the 2015-17 biennium in coordination with the Open Solicitation committee and to return to the Board with any suggestions in advance of the July 2017 spending plan decision.

Decision 3: Operating Capacity

Based on Board feedback at the April 2015 meeting, staff propose to increase the Operating Capacity line item by \$300,000 to account for cost of living. If approved, staff will evaluate this approach in the 2015-17 biennium to determine its effectiveness as a part of discussions to review overall capacity program effectiveness in advance of decisions to be made about additional funding at the July 2017 Board meeting.

Decision 4: Line Items Designated to Receive Additional Funding

If additional funds are received, staff propose they be distributed between the following open solicitation lines: Restoration, Monitoring, Outreach and Land and Water Acquisitions.

Decision 5: Spending Plan Option A or B

Based on the results of the decisions above, both spending plan options will be adjusted, including Board recommendations for where to reallocate funds if any of the above items are reduced in the proposed plan. The final Board decision will then be to select between Option A and Option B contained in Attachments B&C to the staff report, and is largely a decision about how much to allocate between Open Solicitations and Focused Investments.

V. 2015-17 Spending Plan Options

With details of 2015 PCSRF funding and final revenues for Lottery funding now available, staff are proposing percentages the Board could consider for investment in the LTIS categories as defined at the October 2014 Board meeting. Attachments C and D will form the basis for spending plan decision-making at the July Board meeting.

The \$2 million increase in Measure 76 funding between the February and May 2015 forecast brings the spending plan back to slightly more than the 2013-15 spending plan. Between the April and July staff reports, staff increased a number of line items with available revenues. In Open Solicitation: Restoration, Outreach and Acquisitions; in Focused Investments: Focused Investment Partnership implementation track; and in Capacity, a cost of living increase for SWCDs and watershed councils.

Following discussions at the January and April 2015 Board meetings and discussions with the Executive Committee, for the 2015-17 biennium, staff are presenting two options for investment percentages by LTIS framework category. These are contained in Attachment C. Attachment D converts those percentages to dollar values using the latest revenue projections as a basis, along with an assumed \$4.9 million of additional PCSRF funding in year two of the spending plan.

The main difference between the two options is the amount allocated to Open Solicitation and Focused Investments. While the processes are different, both categories are made up of 'responsive' grants. In all grant categories, applicants must compete for funding. Those who are selected for a Focused Investment Partnership are no longer eligible to submit a grant in the same geography for the same outcome through the Open Solicitation grant program.

Per discussions with the Board, some line items from previous spending plans have been zeroed out or shifted to other locations for the 2015-17 plan. A summary and explanation is provided in Attachment B to the staff report.

VI. Recommendation

Prior to deciding whether to approve Option A or Option B for the spending plan, the Board will first determine the following:

- 1) Outreach funding amount. Staff recommend \$600,000.
- 2) Small Grant funding amount. Staff recommend \$2.8 million
- 3) Operating Capacity funding amount. Staff recommend \$12.5 million to allow a \$300,000 cost-of-living increase
- 4) Line items to receive additional funding if it becomes available. Staff recommend Restoration, Outreach, Monitoring, Land and Water Acquisitions.

Then, the Board will vote whether to move forward with Option A or Option B for the 2015-17 Spending Plan.

Attachments

- A. 2013-2015 OWEB Spending Plan (to be provided post July 1 with other staff reports)
- B. Response to items requested by Board in April
- C. Spending Plan Background and Options
- D. OWEB 2015-17 Draft Spending Plan



OWEB 2013-15 Spending Plan

July 2015 Board Meeting

OWEB SPENDING PLAN	April 2015 additions to Spending Plan	Spending Plan as of April 2015	April 2015 Awards	TOTAL Board Awards To-Date	Remaining Spending Plan as of April 2015
Open Grants:					
Restoration		27.720	6.963	27.618	0.102
Technical Assistance					
Restoration TA		2.600	0.816	2.624	(0.024)
Action Plans for WC		0.250		0.181	0.069
CREP TA		0.750		0.750	0.000
Monitoring Grants		2.500	1.073	2.524	(0.024)
Outreach		1.100	0.528	1.128	(0.028)
Assessments		0.000		0.000	0.000
Land and Water Acquisition		8.000	1.597	6.941	1.060
Weed Grants		2.500		2.500	0.000
Small Grants		2.800		2.800	0.000
TOTAL	0.000	48.220	10.977	47.066	1.155
% of assumed Total Budget		64.8%			
Focused Investments:					
Deschutes SIP		4.000	1.000	5.000	(1.000)
Willamette SIP		3.000	0.750	3.750	(0.750)
Klamath SIP		0.800	0.200	1.000	(0.200)
Whole Watershed Restoration Initiative		0.500		0.500	0.000
Transitional Funding	1.950	1.950		0.000	1.950
TOTAL	1.950	10.250	1.950	10.250	0.000
% of assumed Total Budget		13.8%			
Operating Capacity:					
Capacity grants (WC/SWCD)		12.200		12.200	0.000
OACD		0.415		0.415	0.000
Building Capacity Grants		0.200		0.200	0.000
TOTAL	0.000	12.815	0.000	12.815	0.000
% of assumed Total Budget		17.2%			
Other:					
CREP		0.500		0.500	0.000
Oregon Plan/Governor's Priorities		1.000	0.125	1.000	0.100
Effectiveness Monitoring		1.000	0.069	0.690	0.310
Ecosystem Services		0.150	0.077	0.167	(0.017)
Business Practices		0.200		0.150	0.050
Lower Columbia Estuary Program		0.300		0.300	0.000
TOTAL	0.000	3.150	0.271	2.807	0.343
% of assumed Total Budget		4.2%			
TOTAL OWEB Spending Plan Proposal		74.435	13.198	72.938	1.498
OTHER DISTRIBUTED FUNDS					
Oregon Department of Fish & Wildlife/PCSRF		9.226		9.226	0.000
IMST (½ M76 Operating / ½ PCSRF)		0.462		0.462	0.000
USFW-Coastal Wetlands	3.231	3.351	3.231	3.351	0.000
Forest Health Collaboratives from ODF		0.600		0.600	0.000
PSMFC-IMW		0.300		0.300	0.000
NRCS-CREP TA		0.250		0.250	0.000
TOTAL	3.231	14.189	3.231	14.189	0.000
TOTAL Including OWEB Spending Plan and Other Distributed Funds	5.181	88.624	16.429	87.127	1.498

Spending Plan Background Information Requested by OWEB Board in April 2015

At their April meeting, the Board requested follow-up information on a number of items related to the spending plan in advance of their July decision. Responses are provided below.

Open Solicitation - Small Grants

- **Match provided to the Program by grantees:** Between 2002 and 2014, OWEB's investment of \$14,477,083 in Small Grant projects were matched with \$21,277,310 in partner funds and in-kind contributions. This is \$1.46 of match for every OWEB dollar invested.
- **Restoration Outputs:** For the same 2002-2014 period:

OWEB Small Grant Program Project Accomplishments		
Completed & Reported to OWRI (2002-2014)		
Activity Type or Activity Description	Accomplishments	Quantity
Instream Habitat and On-bank Stabilization	Total miles of stream treated	107
Riparian Habitat and Protection	Total linear stream miles treated	379
Fish Passage Improvements	Total number of road/stream crossings improved for fish passage	127
Fish Passage Improvements	Total miles of fish habitat made accessible due to road/stream crossing improvements (e.g. improvement or removal of culverts and other structures)	196
Fish Passage Improvements	Total miles of fish habitat made accessible due to non-road crossing* barrier improvements (e.g. improvement or removal of dams and other structures)	197
Fish Passage Improvements	Total number of non-road crossing* barriers improved for fish passage	37
Road Improvements	Total number of stream crossings improved for peak flow passage	34
Road Improvements	Total number of non-stream crossings improved for surface drainage	49
Road Improvements	Total miles improved by rocking for surface drainage	6.39
Upland, Grazing, and Irrigation Management Activities**	Total acres treated	247599
Upland Off-channel Livestock or Wildlife Watering	Total number of off-channel watering sites developed	838
Wetland Habitat (restored/created/improved)	Total acres treated	1925
Estuarine Habitat (restored/created/improved)	Total acres treated	18
<p><i>*Fish passage non-road crossing improvements includes dam removal or repair, debris jam removal, diversion removal or modification, engineered barrier bypass or fishway installation, fish ladder removal or repair.</i></p> <p><i>** Upland activities quantified by area includes agriculture management, conservation buffers, conservation tillage, grazing management, irrigation system improvement, nutrient/manure management, upland fencing, upland invasive plant control, upland treeplanting, upland vegetation management (including juniper management), upland vegetation planting, upland erosion control, terracing, and water/sediment control basins.</i></p>		

- **Allocation versus Funds Spent:** In each biennium, \$2.8 million was awarded to 28 teams around the state, with each team allocated up to \$100,000 per biennium.

Funds have been recaptured from the program each biennium, and those unspent funds are then re-allocated to other line items in the spending plan, largely Open Solicitation. Unspent funds may be the result of not all teams receiving enough eligible proposals to allocate all of their funding, awarded projects implemented for less than the original request, or projects withdrawn after the close of the biennium.

Small Grant Team biennial reports from 2013-2015 provide some common themes regarding the Small Grant Program:

- **Quick Turn-Around**—All Small Grant Teams list the fast turnaround as a benefit of the program. This allows a quick response to the landowner, ensures match funds that may not be available after a longer period of time (i.e. regular grant cycles can take 23 weeks), less bureaucracy, and quick project completion (within two years).
- **Flexible**—Most teams note that the relatively simple program allows types of projects that would not be recommended for funding in the regular grant process due to a number of factors: smaller acreage involved (e.g., hobby farms), longer turn-around, and lack of landowner trust in government bureaucracy, to be funded. The program also allows grantees to work with several adjacent landowners in concert, but with different completion dates.
- **Aids Local Economy**—Teams observed that Small Grant projects often benefit local contractors and vendors.
- **Local Review**—Most teams mentioned the local review and prioritization of projects as an important aspect of the program.
- **Develops Partnerships and Trust in Government**—Many teams mentioned the partnerships the program develops between watershed councils, districts and tribes. They also noted relationships built with other partners including, city, county, state and federal agencies and non-profits.
- **Leverages Other Funding**—Many teams voiced appreciation of Small Grant funding leveraging other funding sources. The moderate landowner match also makes the projects seem doable to landowners.

Open Solicitation – Restoration Grants

- Total number and average value of restoration grants over last two biennia
 - There were 641 restoration grants awarded during the 2011-2015 biennia with awards totaling \$71,023,892. The average (mean) grant award over this time was \$108,802. The median grant award over this time period was \$73,038. This does not include grants pending from the April 2015 grant cycle.

Open Solicitation - Land and Water Acquisitions

- Total number and average value of both land and water acquisitions over last two biennia
 - There were 20 land acquisitions grants during the 2011-2015 biennia with awards totaling \$9,558,449. The average (mean) grant award over this time period was \$477,922. The median grant award over this time period was \$277,350.
 - There were 6 water acquisitions grants during the 2011-2015 biennia with awards totaling \$2,821,054. The average (mean) grant award over this time period was \$470,175. The median grant award over this time period was \$388,496.

Focused Investments – Implementation and Capacity

- Number of proposals assumed to be funded under each scenario for both capacity and implementation funding. Since the program is not yet operational, the following are assumptions:
 - Option A includes \$11M for implementation, which likely would result in five to six implementation Focused Investment Partnerships, given that the Board-identified \$2 million average per FIP does not divide evenly into \$11 million.

- Option A also includes \$1M in funding for capacity, which likely would result in six to seven capacity grants IF all grantees sought the full \$150,000 grant. It is anticipated, however that not all grantees will request the full amount.
- Option B includes \$12.75M for implementation, which would likely result in six to seven implementation Focused Investment Partnerships. Since this spending plan line item also includes \$1 million for capacity grants, the estimate remains the same as above – six to seven if maximum amount is requested.
- Summary of Consultations to-date and applications received for implementation funding. The inquiries for pre-application consultations are broken out by Focused Investment Partnership Priority:
 - Sagebrush/sage-steppe habitat: 2 inquiries, 1 application anticipated
 - Oregon Closed Lakes Basin Wetlands Habitat: 2 inquiries, 1 application anticipated
 - Dry-type Forest Habitat: 3 inquiries, 2 applications anticipated
 - Oak Woodland and Prairie Habitat: 2 inquiries, 1 application anticipated
 - Coho Habitat and Populations along the Oregon Coast: 2 inquiries, 1 application anticipated
 - Aquatic Habitat for Native Fish Species: 10 inquiries, 10 applications anticipated
 - Coastal Estuaries in Oregon: 0 inquiries

The deadline for Phase 1 Implementation applications and Capacity-Building letters of intent is July 1, 2015. Actual application numbers will be available at that time and staff will update the Board at the July 2015 Board meeting.

- Explanation of how capacity grants funded would correlate with future implementation funding. Per the Board's definition, criteria and solicitation approach, while the Board is seeking that successful capacity grants will result in partnerships that meet Focused Investment criteria, the board stated: "NOTE: Receipt of Capacity funding does not guarantee Focused Investment Implementation funding from OWEB." As a result, staff have not assumed there would be a direct correlation between capacity and implementation funding. Attempts to directly correlate capacity and implementation funding would continue the perception of a direct correlation.

In addition, if the Board decides to make a direct connection between the two funding types, it would be difficult to assess the correlation until the staff has a better understanding over the next biennium on the Board's decision about a "gradual increase" for Focused Investments in the spending plan. For example, if the Board adds approximately an additional \$2M per biennium for the next two biennia for Implementation FIPs, this would result in one additional FIP being added for 2017-2019 and another additional FIP for 2019-2021. The first 'cohort' of FIPs awarded this biennium are anticipated to remain in the funding pool through the 2019-2021 biennium. Given this, under the scenario of an additional \$2M per biennium for the next two biennia for Implementation FIPs, the next two solicitations for FIPs would result in the Board funding one additional FIP each biennium.

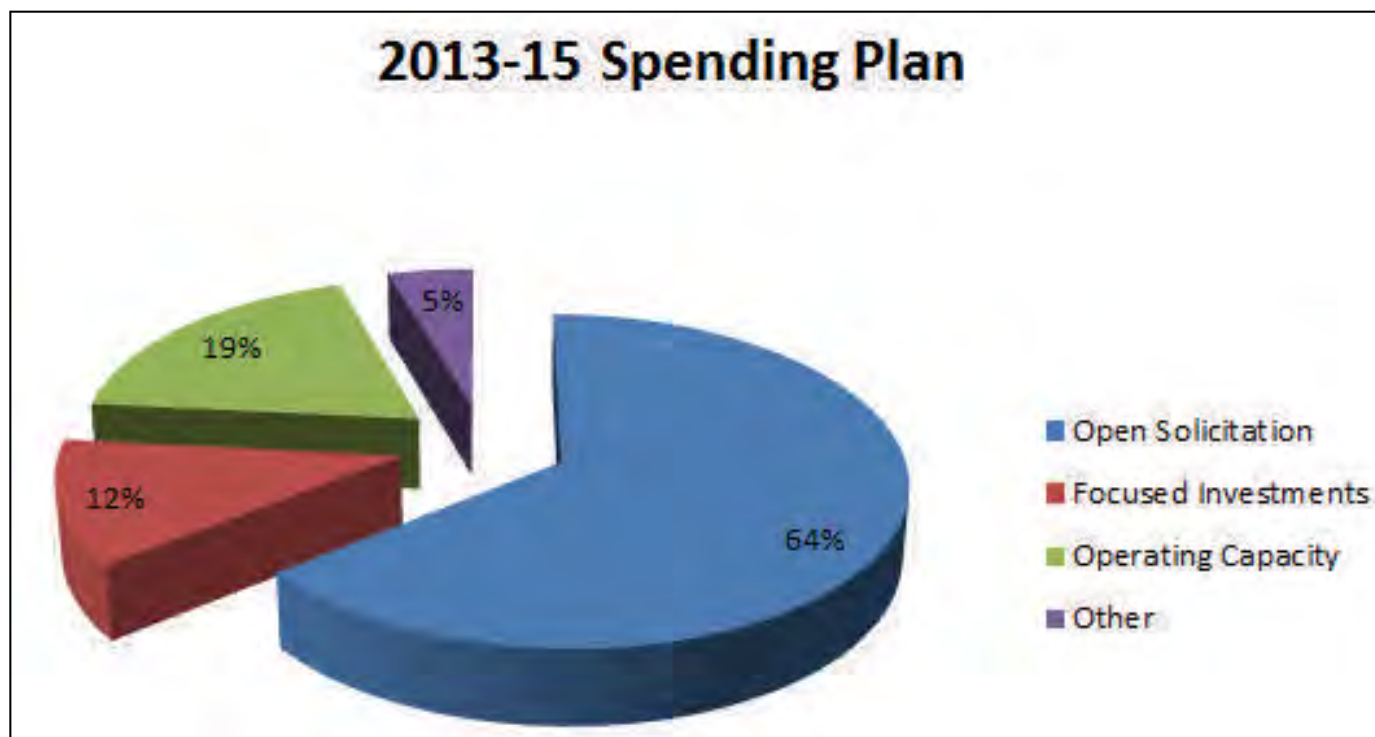
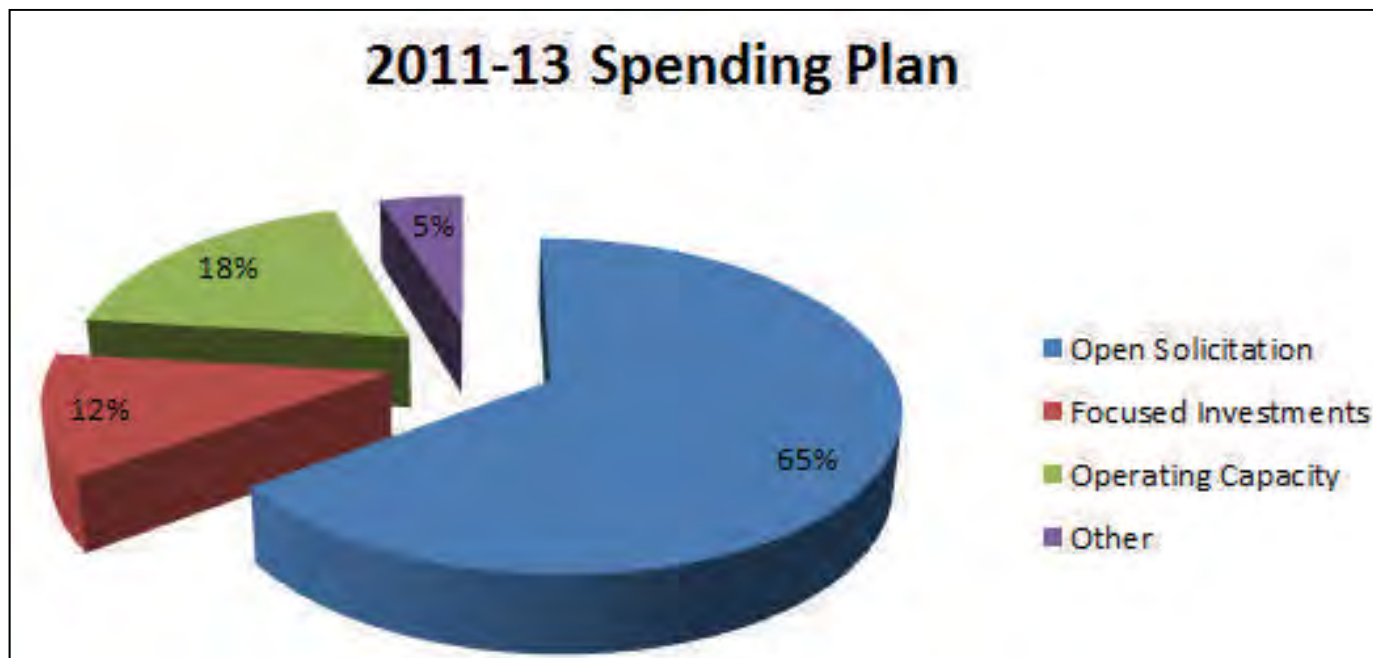
Operating Capacity

Given the spending plan amount authorized for watershed councils and SWCDs has remained static since the 2009-2011 biennium at \$12.2 million, and that this grant contains many costs that increase with inflation, staff recommend an approximate 2.5% increase in the spending plan amount to equal \$12.5 million.

Items Removed Between 2013-15 and 2015-17 Spending Plans

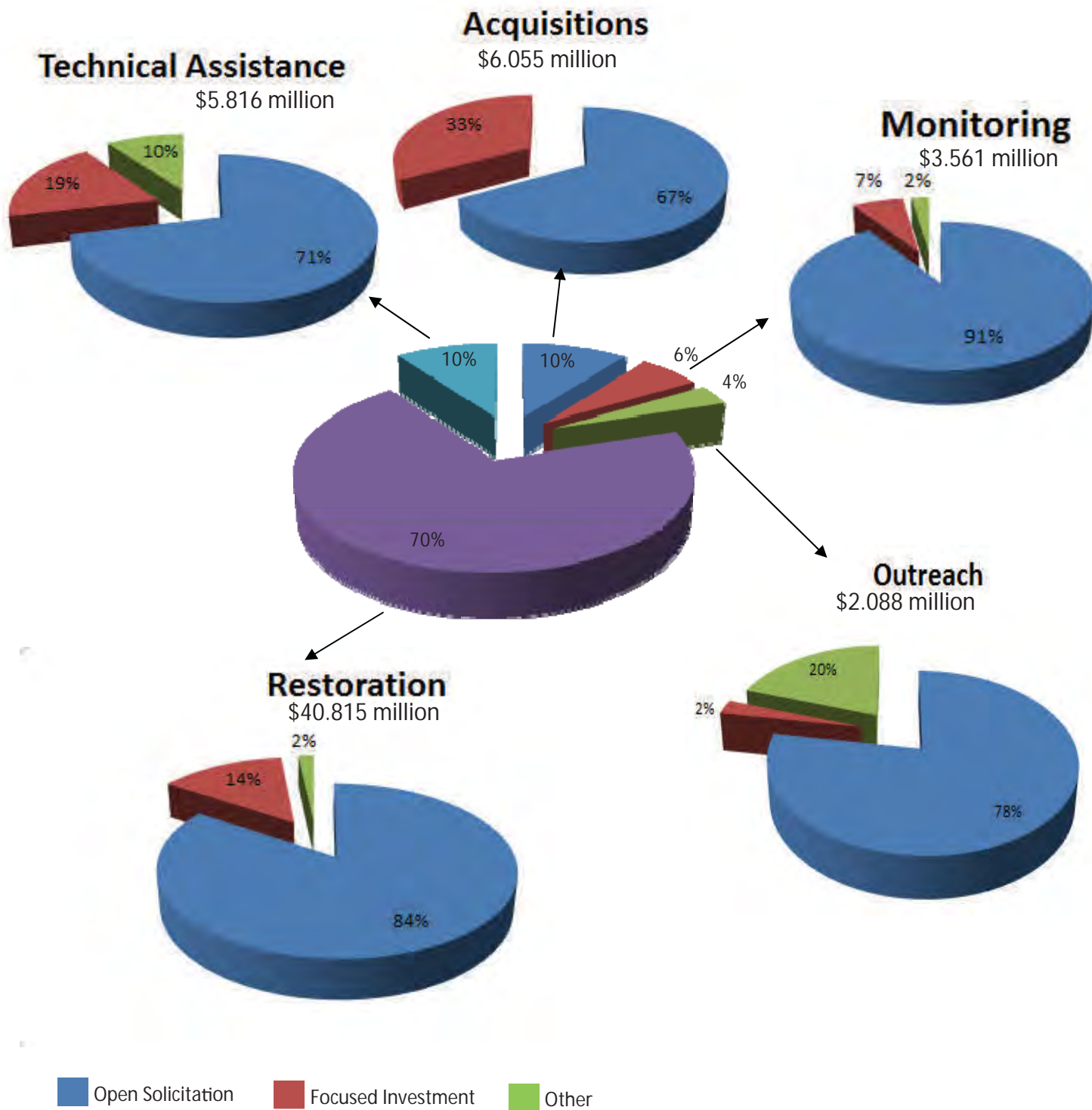
- 1) *Deschutes, Upper Klamath, and Willamette Special Investment Partnerships (SIPs) and Whole Watersheds Restoration Initiative.* These have no funding amount because the new Focused Investment Partnership Program rolls out in the 2015-17 biennium, replacing these programs. Transition funding for the three SIPs was provided for the first six months of the 2015-2017 biennium through Agenda Item E at the April 2015 Board meeting.
- 2) *Effectiveness Monitoring.* Under the revised spending plan, Effectiveness monitoring is shifted from the 'Other' category to either Open Solicitation or Focused Investments. In this estimate, funding is equally split between the two line items, but staff may ask for reallocation of those amounts as funding needs are identified.
- 3) *Ecosystem Services.* Staff recommend eliminating this line item and instead using other mechanisms (restoration, monitoring and Oregon Plan/Governor's Priorities) as the vehicle for funding ecosystem services projects. This is for three reasons. First, the line item has not been spent fully in the last two biennia. In that time, \$400,000 has been budgeted with just over \$200,000 awarded to projects. Second, much of the pilot work OWEB has accomplished around ecosystem services is tied directly to either focused investments, monitoring or restoration projects. Staff believe the best way to incorporate the use or additional development of methods, tools and metrics is through regular granting processes, while ensuring monitoring staff are fully involved. Third, the ecosystem services program has largely been incorporated as a philosophy within agencies, rather than a stand-alone program. Staff propose that the best way to fully engage in an ecosystem services approach is to incorporate it directly into the agency's granting processes as well.
- 4) *Business Practices.* Staff propose these costs are better covered under the Operations part of OWEB's budget rather than the granting program.

Historic Spending Plan Percentages by Long-Term Investment Strategy Category*



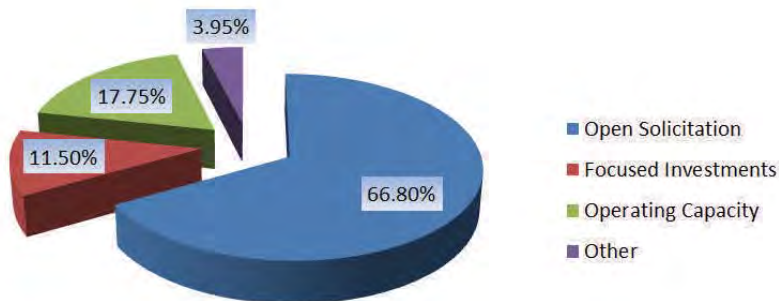
*NOTE: Spending plan percentages are based on categories established by the OWEB Board at the October 2014 Board meeting and retroactively applied to previous spending plans.

2011-2013 Agreements Executed by Grant Type



Proposed Percentages for 2015-17 Spending Plan by Long Term Investment Strategy Category*

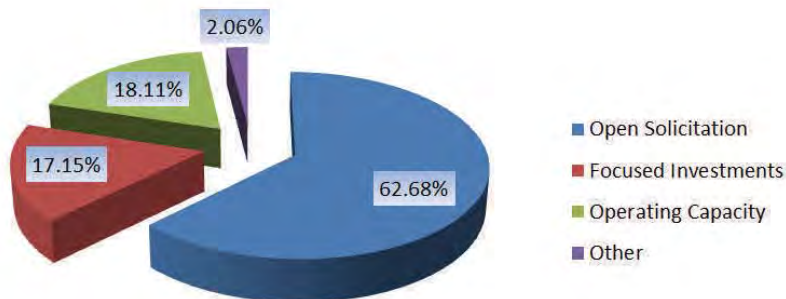
July 2013 Spending Plan (with additional PCSRF)



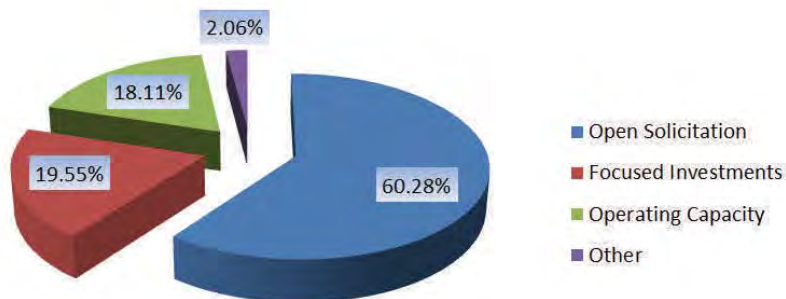
Note: both options identified provide a smaller increase in focused investments than identified at the January 2015 Board meeting because lottery revenue projections came in at a lower amount than the current spending plan level.

Option A: Focused Investments increase by 5.65%, and Operating Capacity increases by .36%. Effectiveness Monitoring is moved specifically to programmatic EM in either Open Solicitation or Focused Investments, with a corresponding decrease in Open Solicitation of 4.12% and decrease in Other (where EM previously resided) of 1.89%.

Option A: Spending Plan (with additional PCSRF)



Option B: Spending Plan (with additional PCSRF)



Option B: Focused Investments increase by 8.05% and Operating Capacity increases by .36%. Effectiveness Monitoring is moved specifically to programmatic EM in either Open Solicitation or Focused Investments, with a corresponding decrease in open solicitation of 6.52% and a decrease in Other (where EM previously resided) of 1.89%.

*The draft spending plan in April provides Board-identified percentages as options. The April spending plan draft includes both percent and dollar amounts, though final dollar figures will not be available until the July spending plan, after the agency's 2015-17 budget is approved.

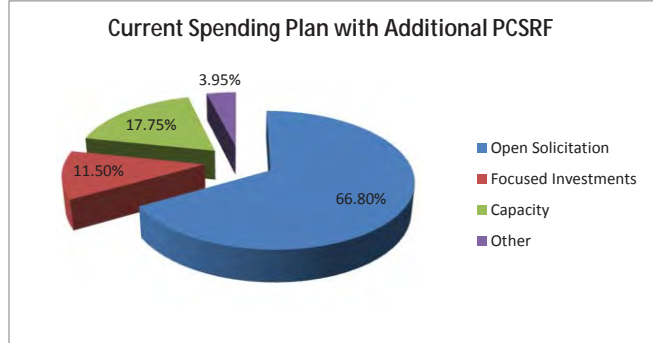
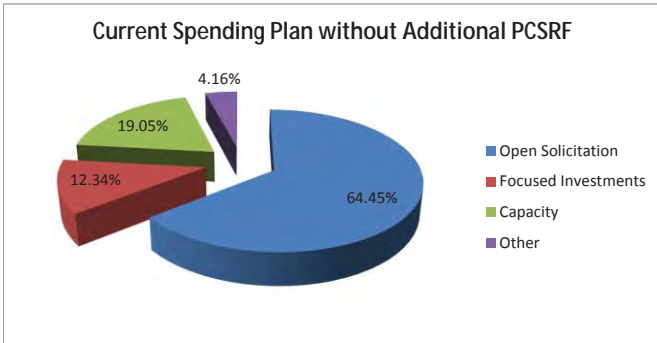
**OWEB 2015-17 DRAFT Spending Plan
Using May 2015 Economic Forecast**

OWEB SPENDING PLAN	July 1, 2013 Spending Plan Excluding PCSRF FFY14	July 1, 2013 Spending Plan with addition \$4.9m PCSRF FFY14	July 1, 2015 Proposed Option A excluding PCSRF FFY16	July 1, 2015 Proposed Option A with addition \$4.9m PCSRF FFY16	July 1, 2015 Proposed Option B excluding PCSRF FFY16	July 1, 2015 Proposed Option B with addition \$4.9m PCSRF FFY16
Open Solicitation:						
Restoration**	26.320	27.720	23.500	26.400	21.750	24.650
Technical Assistance						
Restoration TA	1.800	2.600	1.750	2.750	1.750	2.750
Action Plans for WC	0.250	0.250				
CREP TA	0.750	0.750	0.750	0.750	0.750	0.750
Monitoring grants**	1.350	2.500	1.900	1.900	1.900	1.900
Outreach**	0.600	1.100	0.600	0.600	0.600	0.600
Assessments						
Land and Water Acquisition**	7.000	8.000	6.500	7.500	6.500	7.500
Weed Grants	2.500	2.500	2.500	2.500	2.500	2.500
Small Grants	2.800	2.800	2.800	2.800	2.800	2.800
June 2011 Grant awards (Mar 2011 holdover)	NA	NA	NA	NA	NA	NA
OS Effectiveness Monitoring			0.500	0.500	0.500	0.500
TOTAL	43.370	48.220	40.800	45.700	39.050	43.950
% of assumed Total Budget	64.46%	66.80%	60.00%	62.69%	57.43%	60.29%
**if more funding becomes available, will go to these areas)						
Focused Investments:						
Deschutes SIP	4.000	4.000				
Willamette SIP	3.000	3.000				
Klamath SIP	0.800	0.800				
Whole Watershed Restoration Initiative	0.500	0.500				
FI Partnership Implementation			11.000	11.000	12.750	12.750
FI Partnership Capacity-Building			1.000	1.000	1.000	1.000
FI effectiveness monitoring			0.500	0.500	0.500	0.500
TOTAL	8.300	8.300	12.500	12.500	14.250	14.250
% of assumed Total Budget	12.34%	11.50%	18.38%	17.15%	20.96%	19.55%
Operating Capacity:						
Capacity grants (WC/SWCD)	12.200	12.200	12.500	12.500	12.500	12.500
Statewide organization partnership support	0.415	0.415	0.300	0.300	0.300	0.300
Building Capacity Grants	0.200	0.200	0.400	0.400	0.400	0.400
TOTAL	12.815	12.815	13.200	13.200	13.200	13.200
% of assumed Total Budget	19.05%	17.75%	19.41%	18.11%	19.41%	18.11%
Other:						
CREP	0.500	0.500	0.500	0.500	0.500	0.500
Oregon Plan/Governor Priorities	1.000	1.000	1.000	1.000	1.000	1.000
Effectiveness Monitoring	1.000	1.000				
Ecosystem Services	0.150	0.150				
Business Practices	0.150	0.200				
TOTAL	2.800	2.850	1.500	1.500	1.500	1.500
% of assumed Total Budget	4.16%	3.95%	2.21%	2.06%	2.21%	2.06%
TOTAL OWEB Spending Plan Proposal	67.285	72.185	68.000	72.900	68.000	72.900
OTHER DISTRIBUTED FUNDS IN ADDITION TO SPENDING PLAN DISTRIBUTION						
Oregon Department of Fish and Wildlife - PCSRF	4.804	4.804	4.756	9.512	4.804	9.512
IMST	0.237	0.237				
USFW-Coastal Wetlands						
Forest Health Collaboratives from ODF			1.260	1.260	1.260	1.260
PSMFC-IMW	0.300	0.300	0.300	0.300	0.300	0.300
Lower Columbia Estuary Partnership	0.300	0.300	0.300	0.300	0.300	0.300
TOTAL	5.641	5.641	6.616	11.372	6.664	11.372
TOTAL Including OWEB Spending Plan and Other Distributed Funds	72.926	77.826	74.616	84.272	74.664	84.272

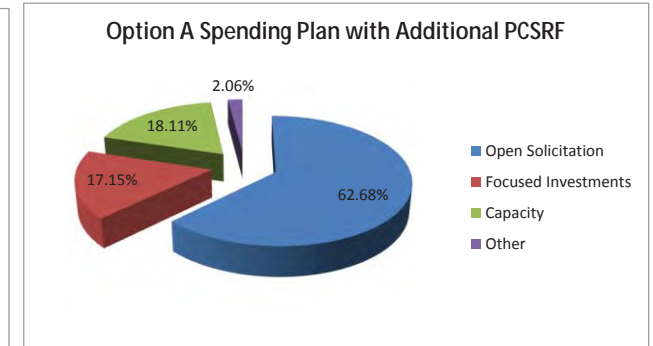
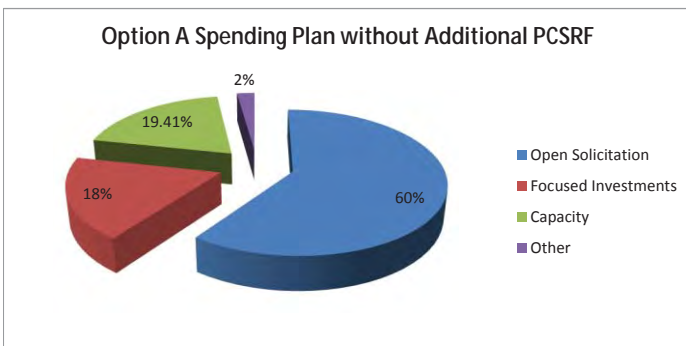
*Note: 2011 included a line item for SIP acquisitions (\$2m). However those funds duplicated SIP and so are removed.

Spending Plan Percentage Options

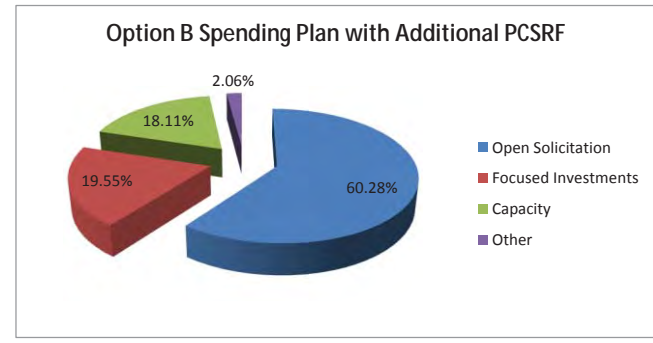
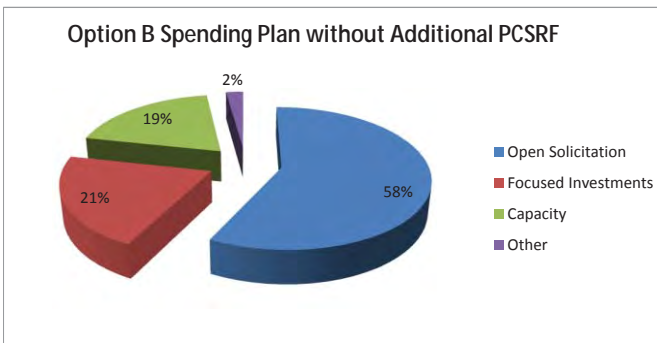
Current		
	Without addl. PCSRF	With Addl. PCSRF
Open Solicitation	64.46%	66.80%
Focused Investments	12.34%	11.50%
Capacity	19.05%	17.75%
Other	4.16%	3.95%



Option A		
	Without addl. PCSRF	With Addl. PCSRF
Open Solicitation	60.00%	62.69%
Focused Investments	18.38%	17.15%
Capacity	19.41%	18.11%
Other	2.21%	2.06%



Option B		
	Without addl. PCSRF	With Addl. PCSRF
Open Solicitation	57.43%	60.29%
Focused Investments	20.96%	19.55%
Capacity	19.41%	18.11%
Other	2.21%	2.06%





Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
SUBJECT: **Agenda Item D-1: Spending Plan Delegated Authority
July 28-29, 2015 OWEB Board Meeting**

I. Introduction

This report accompanies the spending plan report provided to the Board in June 2015. Once the Board approves the spending plan, staff requests subsequent approval of a number of delegated line items.

II. Background

The OWEB Board has direct oversight over OWEB's grant funds, which are budgeted through the spending plan. The OWEB Board is responsible for approving distribution of grant funds (OAR 695-004-0010) and can do so in a number of ways:

- 1) Direct approval of individual grants (example: funding for SageCon Partnership,)
- 2) Direct approval of a suite of grants (example: approval of the slate of grants presented as a part of regular grant awards)
- 3) Approval of overall funding and delegation to the Executive Director for distribution (examples: Special Investment Partnerships, small grants)

Some delegated awards are legislatively directed (e.g., funding to Soil and Water Conservation Districts, funding to Oregon Department of Fish and Wildlife), while others are based on agency processes. This would include current Special Investment Partnerships – the full funding amount is approved by the Board while specific grants are approved by the Director through delegated authority.

III. Delegated Spending Plan Line Items

Attachment A contains a listing of all spending plan line items recommended for funding, whether they are delegated or not, and when they are typically awarded. It also includes the amount currently requested for delegation.

Based on the May 2015 revenue forecast plus previous biennia estimated ending balances, it is estimated that \$58 million will be available for grant distribution through Measure 76 Lottery Funds. This is an increase of \$2 million over estimates from the February Lottery forecast. Up to \$25 million of Pacific Coast Salmon Recovery Fund (PCSRF) funding is estimated to be available as well. A portion of these funds are legislatively directed to be transferred to the Oregon Department of Fish and Wildlife (ODFW). For Lottery funding, the amount is strictly dependent on revenues received. For PCSRF funding, the amount available depends on OWEB's successful receipt of PCSRF funding through their competitive grant process. There are limitations on

eligible uses of the available PCSRF funds based on NOAA recovery priorities and grant types (restoration, TA and monitoring are all allowed). PCSRF funds are also used for OWEB and ODFW staff. Of the \$25 million, it is assumed that approximately \$9.8 million would be invested in OWEB's grant program.

In October 2014, the Board discussed how the spending plan should be organized within the Long-Term Investment Strategy (LTIS) Framework to accurately reflect how funds have been spent. Staff re-organized the spending plan accordingly in the attachment to this staff report. In January 2015, the Board provided feedback on three approaches for the spending plan; and in April 2015 staff presented two options.

IV. Recommendation

Attachment A to the staff report contains a summary of all spending plan line items, noting the delegated items, including those that are requested for Board delegation at the July Board meeting. Staff recommend the Board approve items contained in Attachment A under the 'Current Delegation Request' with an effective date of July 1, 2015.

Attachment

- A. Summary of How Spending Plan Funds are Awarded

Summary of how Spending Plan Funds are Awarded

	Recommended Amount	Award Type	When Awarded by OWEB Board	Current Delegation Request
Open Solicitation:				
Restoration	24.650	Direct	April/October	0
Restoration Technical Assistance	2.750	Direct	April/October	0
CREP Technical Assistance	0.750	Delegated	Beginning of biennium	0.750
Monitoring	1.900	Direct	Each April	0
Outreach	0.600	Direct	Each April	0
Land and Water Acquisition	7.500	Direct	Each April	0
Weed Grants	2.500	Delegated	Beginning of biennium	2.500
Small Grants	2.800	Delegated	Beginning of biennium	2.800
OS Effectiveness Monitoring	0.500	Delegated	throughout biennium	0
Focused Investments:				
FI Partnership Implementation	12.750	Delegated	January 2016 Board	0
FI Partnership Capacity-Building	1.000	Delegated	January 2016 Board	0
FI Effectiveness Monitoring	0.500	Delegated	throughout biennium	0
Operating Capacity:				
Capacity Grants (WC/SWCD)	12.500	Mix	SWCD delegated/council direct award beginning of biennium	6.250
Statewide organization partnership support	0.300	Delegated	Beginning of biennium	0.300
Building Capacity Grants	0.400	Delegated	throughout biennium	0.400
Other:				
CREP	0.500	Delegated	Beginning of biennium	0.500
Oregon Plan/Governor Priorities	1.000	Direct	throughout biennium	0
OTHER DISTRIBUTED FUNDS IN ADDITION TO SPENDING PLAN DISTRIBUTION				
Oregon Department of Fish and Wildlife - PCSRF	9.512	Delegated	Beginning of biennium	9.512
Forest Health Collaboratives from ODF	0.500	Delegated	Beginning of biennium	0.500
Rangeland Fire Protection Association Grants	0.600	Delegated	Beginning of biennium	0.600
PSMFC-IMW	0.300	Delegated	Beginning of biennium	0.300
Lower Columbia Estuary Partnership	0.300	Delegated	Beginning of biennium	0.300
TOTAL	84.112			24.712

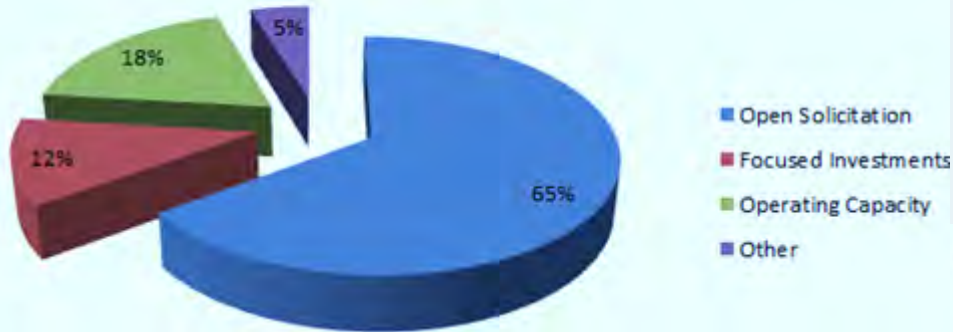


Spending Plan Options



Historic Spending Plan Percentages by LTIS Category

2011-13 Spending Plan



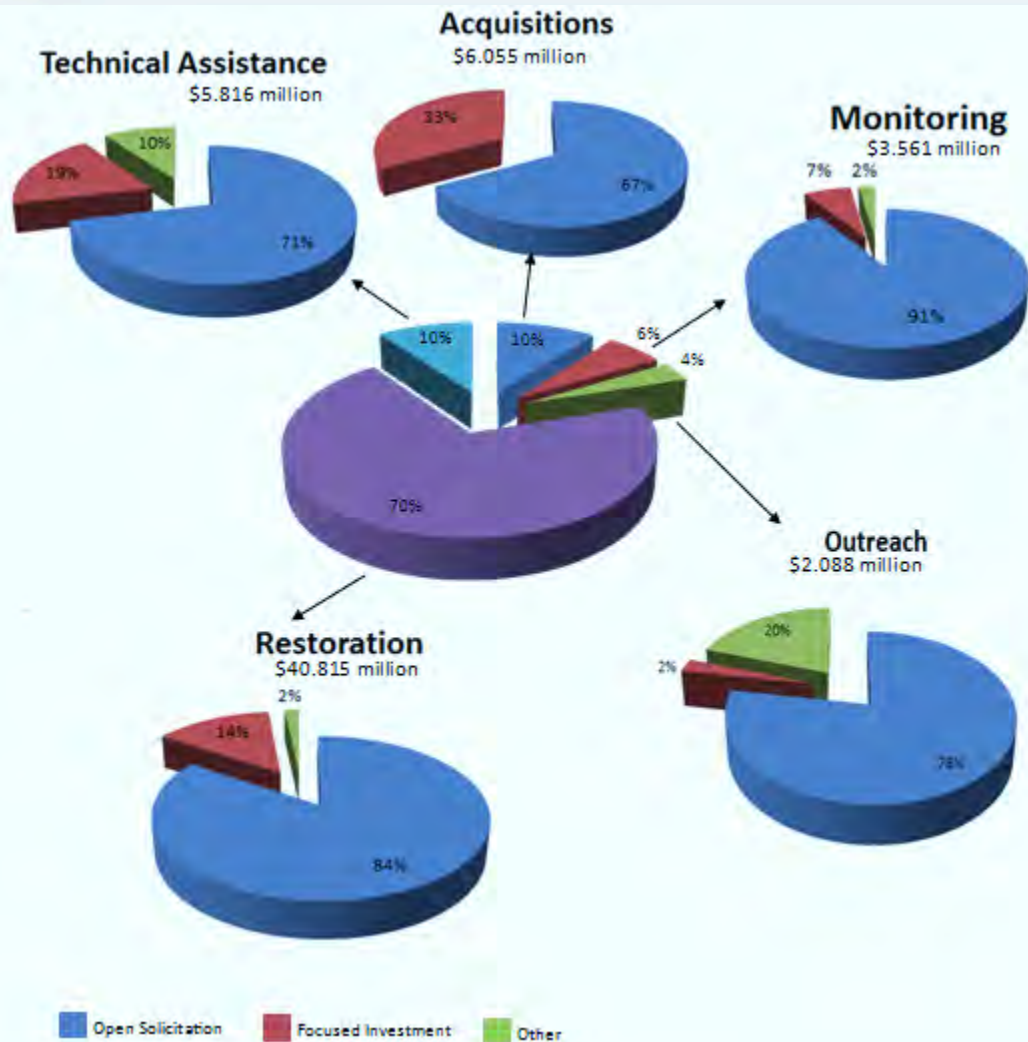
2013-15 Spending Plan



NOTE: Spending Plan percentages are based on categories established by the OWEB Board at the November 2014 Board meeting and retroactively applied to previous spending plans.

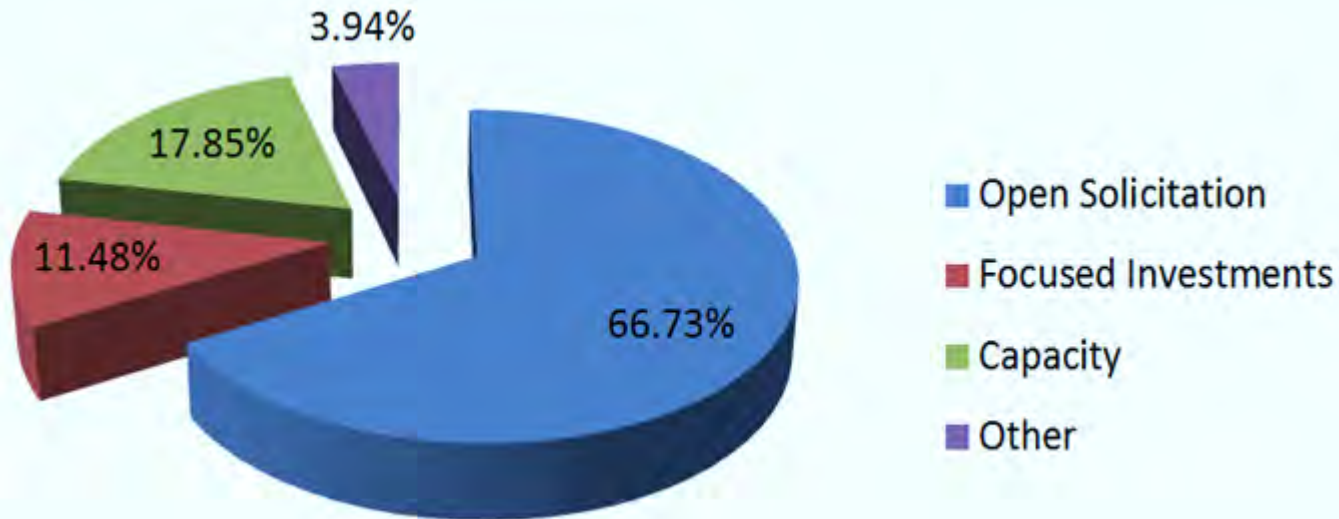


2011-13 Agreements Executed by Grant Type

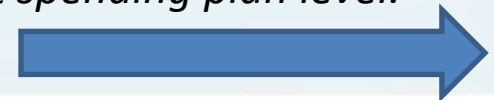




Current Spending Plan with Additional PCSRF



*Note: both options identified provide a **smaller increase** in focused investments than identified at the January Board meeting because lottery revenue projections came in at a lower amount than the current spending plan level.*





**With May Revenue Forecast, 2015-17
Spending Plan estimate \$72.9m**

=

\$715k more than 2013-15 biennium

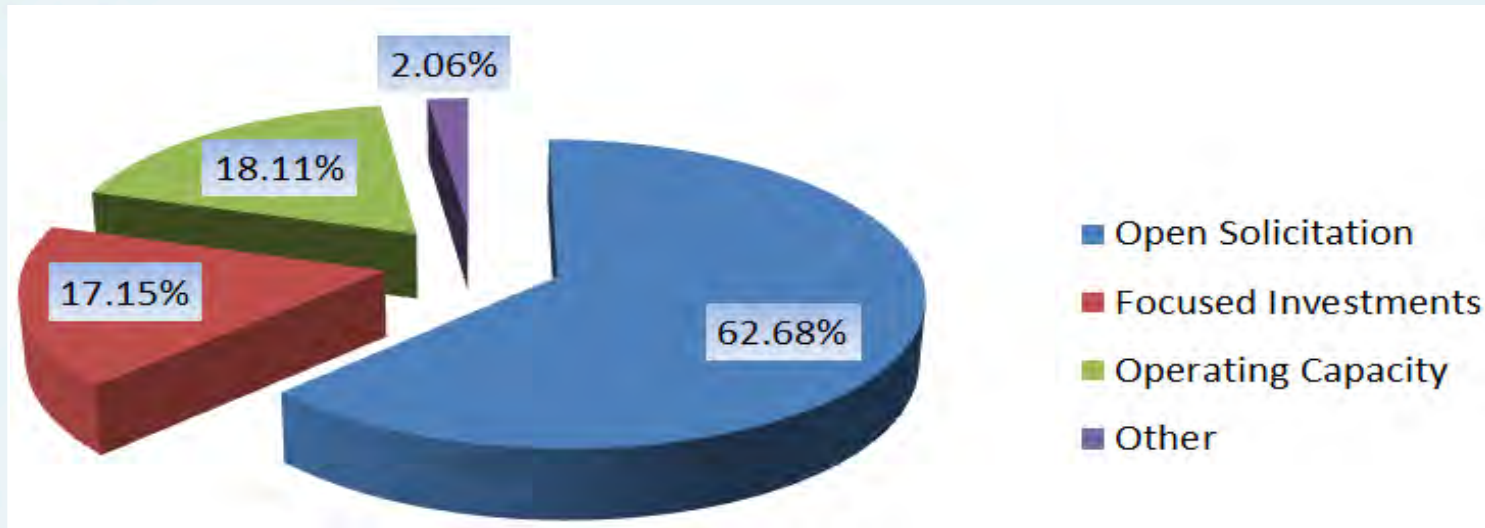


Staff Recommendations in Both A&B

- Outreach =\$600,000
- Small Grants=\$2.8 million
- Operating Capacity - \$12.5 million
- Additional funds (recapture, additional M76 Revenues) for Open Solicitation:
 - Restoration
 - Outreach
 - Land and Water Acquisition
 - Technical Assistance
 - Monitoring



Option A Spending Plan with Additional PCSRF

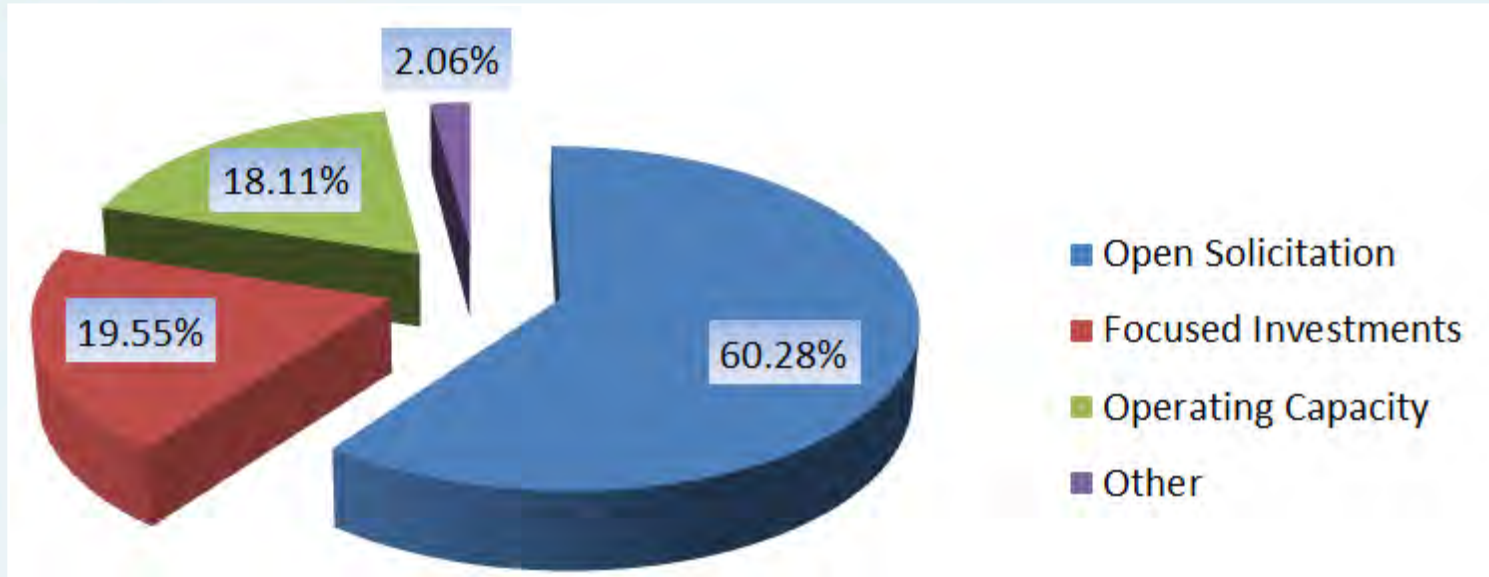


Option A:

- Focused Investments increase by 5.65%.
- Operating Capacity increases by .36%
- Effectiveness Monitoring moved to Open Solicitation and Focused Investments.
- Decrease in Open Solicitation of 4.12%.
- Decrease in Other of 1.89%.



Option B Spending Plan with Additional PCSRF



Option B:

- Focused Investments increase by 8.05%.
- Operating Capacity increases by .36%
- Effectiveness Monitoring moved to Open Solicitation and Focused Investments.
- Decrease in Open Solicitation of 6.52%.
- Decrease in Other of 1.89%.



What Changes?

Category	Option A (compared to 13-15)	Option B (compared to 13-15)
Open Solicitation		
Restoration	(\$1.320)	(\$3.070)
Technical Assistance	\$0.150	\$0.150
Action Plans for WC	(\$0.250)	(\$0.250)
Monitoring Grants	(\$.600)	(\$.600)
Outreach	(\$0.500)	(\$0.500)
Land and Water Acquisitions	(\$0.500)	(\$0.500)
Focused Investments		
Overall Line Item (not inc. EM)	\$3.700	\$5.450
Operating Capacity		
Capacity Grants	\$0.300	\$0.300
OACD/NOWC	(\$0.115)	(\$0.115)
Building Capacity Grants	\$0.200	\$0.200
Other		
Effectiveness Monitoring	Shifted to Open Solicitation and Focused Investments line items	
Ecosystem Services	(\$0.150)	(\$0.150)
Business Practices	(\$0.200)	(\$0.200)
Overall		
Total Spending Plan	\$0.715	\$0.715

NOTE: In Millions



Discussion

- Considerations:
 - Staff Recommendations for Both Options A & B
 - Overall consideration of Option A or B

July 28-29, 2015 OWEB Board Meeting

Executive Director Update #F-1: Focused Investment Partnership Program

Background

In June of 2013, the Board approved its Long-Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

In October of 2013, OWEB kicked off a nine-month process to develop the definition, criteria, and program design (including solicitation approach and process) for the Focused Investment category of OWEB funding. The process involved external stakeholder and internal staff work groups that provided input to the Board regarding the design and implementation of the program. Attachment A describes the definition, criteria and solicitation approach the Board adopted in July of 2014. Development of the Focused Investment Partnership program involved a two-stage process: 1) Priority-setting by the Board for Focused Investment Partnerships and 2) Solicitation for Focused Investment Partnerships.

Focused Investment Partnership Priorities

In August of 2014, the Board initiated a nine-month priority-setting process. The Board solicited input from stakeholders around the state about priorities, and received 42 submissions. Following submission of these priority suggestions, staff and the Board Subcommittee on Focused Investments reviewed input and grouped related submissions into priority theme areas. This grouping assisted technical experts convened to answer questions and provide feedback to the Board to inform its deliberations about priorities of significance to the state.

At the January 2015 Board meeting, staff presented these themes and the Board reframed them into seven areas. Following the January Board meeting, staff worked with the Focused Investment Subcommittee and technical experts to refine the themes for six priority categories. Those are available at:

http://www.oregon.gov/OWEB/docs/board/2015/March/2015_Mar_ItemB_Focused_Investments.pdf, and were presented to the Board in March. At that meeting, the Board also instructed staff to develop a draft Priority for estuary habitat for their consideration.

At its April 2015 meeting, the Board adopted seven Focused Investment Partnership Priorities for the 2015-2017 biennium:

- 1) Sagebrush/Sage-steppe Habitat,
- 2) Oregon Closed Lakes Basin Wetlands Habitat,
- 3) Dry-Type Forest Habitat,
- 4) Oak Woodland and Prairie Habitat,
- 5) Coho Habitat and Populations along the Oregon Coast,
- 6) Aquatic Habitat for Native Fish Species, and
- 7) Coastal Estuaries in Oregon.

2015-2017 Solicitation for Focused Investment Partnerships

In October 2014 with revisions in April 2015, the Board approved an outline and schedule of the solicitation process for Focused Investment Partnerships. Attachment B outlines the final Focused Investment Partnerships solicitation process for the 2015-2017 biennium.

OWEB opened solicitation for Focused Investment Partnership funding within the Board-identified Priorities on May 1, 2015. Funding is being offered in two tracks. Under Focused Investment Partnership Capacity-Building funding, partnerships may apply for technical assistance to strength the partnership and/or to develop or enhance a strategic action plan for the partnership/program. If the partnership is already established and has an existing strategic action plan, the partnership may apply for Focused Investment Partnership Implementation funding.

Partnerships applying for Implementation funding were required to complete a pre-application consultation with OWEB staff. Statistics for these consultations are below:

- 27 partnerships/organizations/individuals inquired about setting up consultations;
- 21 partnerships/organizations scheduled consultations;
- Consultations covered six of the seven priorities (no consultations for estuaries); and
- Four of the partnerships/organizations signaled their intent to move to the Capacity-Building track (note that additional partnerships/organizations may choose to shift tracks prior to the submission deadline for Phase I implementation applications).

For the Implementation track, Phase I applications were due on July 1, 2015. Subsequent this deadline, a review process will be completed on the Phase I applications, which will involve consideration of each submission by OWEB staff, expert review teams and the Focused Investment Board subcommittee relative to criteria regarding high-performing partnerships and strategic action planning. By August 17, 2015, staff will provide feedback to all Phase I applicants about the outcome of the review process, and a subset of the applicants will be invited to submit Phase II applications based on the review of their Phase I application and the assessed quality of their proposed Focused Investment Partnership initiative. Note, however, that Phase I applicants not invited to submit Phase II applications can still elect to proceed to Phase II.

Letters of intent (LOIs) for Capacity-Building funding also were due on July 1, 2015. This submission does not involve a review of the LOIs for substantive content. Rather, the intent of the LOI is to provide an early indication to staff and the Board about the volume of Capacity-Building applications expected to be received at the November deadline so that workload can be planned accordingly.

Attachment C includes information about submissions for both the Phase I Implementation applications and the Capacity-Building LOIs.

Staff Contact

If you have questions or need additional information, please contact Renee Davis at renee.davis@state.or.us or 503-986-0203.

Attachments

- A. Focused Investment Partnerships: Definition, Criteria, and Solicitation Approach
- B. Focused Investment Partnerships: Solicitation Process
- C. List of applicants for Phase I Implementation funding and submitters of Capacity Building Letters of Intent

Focused Investment Partnerships

Definition, Criteria and Solicitation Approach

The OWEB Board will establish a process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state. Within those priorities, the Board will solicit for Focused Investment Partnerships, one of several forms of focused investments.

Focused Investment Partnership Definition

A Focused Investment Partnership is an OWEB investment that:

- Addresses a Board-identified Focused Investment Priority of significance to the state;
- Achieves clear and measurable *ecological outcomes*;
- Uses integrated, results-oriented *approaches* as identified through a *strategic action plan*;
- Is implemented by a high-performing *partnership*.

OWEB's Focused Investment Partnership investments will be made in two categories:

- 1) Focused Investment Partnership Implementation - For an investment with an existing strategic action plan that is ready for implementation, a Focused Investment will be made by OWEB for a defined dollar amount over a limited time. Partnerships may apply subsequently for a different Focused Investment Partnership program in the same or a different Board-identified Focused Investment Priority.
- 2) Focused Investment Partnership Capacity-Building - The Board will also provide two-year funding for partnerships who are prospective FIP applicants to strengthen their capacity and to strengthen strategic action plans for a Focused Investment priority.

Criteria Categories *The definition is further refined by criteria in the following categories that will be used by the OWEB Board to select investments.*

Focused Investment Partnerships will have both limited funding and duration. As such, groups selected for a Focused Investment Partnership will need to demonstrate that their Focused Investment Partnership programs meet a high standard of achievement. Board investments will be determined within the following criteria categories:

- 1) Significant, clear and measurable *ecological outcomes* that address a Board-Identified Focused Investment Priority.
- 2) The partners must have an existing *strategic action plan* that employs integrated, results-oriented *approaches*. The strategic action plan will:
 - a) Clearly define the measurable ecological outcomes as identified above, ensuring they are reasonable given resources and constraints.
 - b) Clearly articulate achievable goals, an identified geography and a realistic scale and time period for the program.
 - c) Identify the metrics, milestones and established benchmarks for success for the outcomes.
 - d) Utilize an adaptive management approach. This includes measuring and monitoring progress including monitoring procedures to evaluate the success of goals and objectives described in the strategic action plan.
 - e) The plan must also include communication strategies with funders and others regarding the plan's progress toward implementation.

The strategic action plan and any associated OWEB requests for funding must be realistic in terms of conservation impact, outcomes, partnerships and effectiveness monitoring.

- 3) The applicants must clearly demonstrate the *Partners* involved are necessary and sufficient to implement the program outlined in the strategic action plan. Partners must have formed a productive partnership that includes:
- a) Defined relationships that clearly describes the roles and responsibilities of each partner.
 - b) Demonstrated capacity to:
 1. Take on their identified roles and operate under a common vision;
 2. Implement conservation work at a scale larger than a single project;
 3. Realistically accomplish the identified ecological outcomes.
 - c) A clear link that shows the outcomes are within each organization's mission and scope
 - d) A demonstrated strong record of conservation achievement by the partners individually and collectively.

The partnership must also leverage OWEB funding with other resources. This may be achieved by recruiting funding partners, or by accessing other resources critical to implementation.

Solicitation Approach

OWEB is developing three processes for Focused Investment Prioritization, Partnership Capacity and Implementation solicitation. The priority selection process will be completed before solicitation for programs can begin. The program selections (2&3 below) will run simultaneously.

- 1) A Board process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state, drawing from proposals by groups, organizations, state and federal agencies, individuals, OWEB, the Governor's office, Oregon Tribes, and others. Proposed priorities should be based on sources such as the state's Conservation Strategy, the Oregon Plan for Salmon and Watersheds, Governor's priorities, the Agricultural Water Quality Program, the Integrated Water Resources Strategy, recovery plans, etc. The Board will review priorities each biennium to consider adding new priorities and ensure the existing priorities continue to be important.

Process for selecting each of the OWEB Focused Investment Partnership types:

- 2) Capacity-Building - A process for selecting among proposals for investments up to two years that support existing partnerships within Board-identified priorities to:
 - a) Enhance or strengthen a strategic action plan for a Focused Investment Priority; and/or
 - b) Strengthen the capacity of existing partnerships. Applications must:
 - Demonstrate a strong commitment of the partners to meet the Focused Investment criteria in the future, and
 - Clearly identify how this funding will help them achieve the steps to meet Focused Investment Partnership criteria.

NOTE: Receipt of Capacity funding does not guarantee Focused Investment Implementation funding from OWEB.
- 3) Implementation - A process for selecting applications for Focused Investment Partnerships funding as outlined in the criteria, in which applicants must:
 - Identify the Focused Investment Priority the proposal addresses
 - Provide a strategic action plan
 - Demonstrate partnership capacity

Focused Investment Partnerships: Solicitation Process

Updated April 2015

CAPACITY-BUILDING FUNDING	IMPLEMENTATION FUNDING
May 1-July 1, 2015	May 1-July 1, 2015
Letters of Intent submission period. Due date: July 1, 2015	Phase I application submission period <ul style="list-style-type: none"> • Required pre-application consultation with OWEB staff – Must be completed by May 20, 2015 • Required attachment – completed draft of strategic action plan Due date: July 1, 2015
July 1-August 17, 2015	July 1-August 17, 2015
Staff receives Letters of Intent. Upon receipt, staff will inform applicants of next steps in the process. This stage is not intended to be a pre-screening for applications and will not include any evaluative action.	Staff convenes technical teams designated for each priority area for review of Phase I applications. Subcommittee takes information from staff and technical teams, and invites select partners to submit Phase II applications materials, including work plan and budget. Other applicants not invited can submit if they choose, though it will be noted there is limited funding available.
July 28-29 Board Meeting	July 28-29 Board Meeting
Staff updates Board on the Letters of Intent received July 1.	Staff updates Board on Phase I applications received July 1, and provides an update on the status of the review process, including the May pre-application consultations with staff.
August 17-November 2, 2015	August 17-November 2, 2015
Capacity-Building full application submission period. Due date: November 2, 2015	Application Phase II submission period. Due date: November 2, 2015
November 2, 2015-January 8, 2016	November 2, 2015-January 8, 2016
RPRs review Capacity-Building applications and provide feedback to capacity review team and subcommittee for their consideration.	RPRs review applications and provide feedback to technical review teams and subcommittee for their consideration.
Staff convenes state capacity review team to make recommendations to subcommittee through staff.	Staff convenes technical review teams designated for each priority area to complete a technical review of applications in their area and provide feedback.
Subcommittee reviews feedback from RPRs and recommendations from the state capacity review team. Provides final recommendations for funding to Board based on available funds.	Subcommittee receives applications, technical teams and RPRs feedback, and asks any follow-up questions of RPRs and/or technical teams. Subcommittee interviews all applicants, negotiates budgets, and recommends Implementation grants for funding based on available funds.
January 2016 Board Meeting	January 2016 Board Meeting
Board reviews subcommittee recommendations and selects Capacity-Building programs for funding. There will be an opportunity for public comment at this time.	Board reviews subcommittee recommendations and selects Implementation programs for funding. There will be an opportunity for public comment at this time.

FOCUSED INVESTMENT PARTNERSHIP PROGRAM -- 2015-2017
Phase I Implementation Applications

Partnership Name	Priority(ies) Addressed	OWEB Region(s)*	\$ Requested	Project Duration
Ashland Forest All-lands Restoration Partnership	Dry Type, Native Fish, Oaks	2	\$ 12,000,000	5 yr, 6mo
Coos Watershed Association	Coho, Native Fish, Estuaries	2	\$ 6,150,000	5 yr, 4mo
Grande Ronde Restoration Partnership	Native Fish	5	\$ 6,922,500	5 years
Harney Basin Wetlands Initiative Partnership	Closed Lakes	5	\$ 5,500,000	6 years
McKenzie Collaborative	Native Fish	3	\$ 4,525,000	6 years
Oregon All Counties CCAA Steering Committee	Sage	4, 5, 6	\$ 5,900,000	5 years
Rogue Basin Partnership	Native Fish, Coho	2	\$ 4,200,000	6 yr, 7 mo
Sandy River Basin Partners	Native Fish	3	\$ 11,450,000	6 years
The Deschutes Partnership	Native Fish	4	\$ 12,000,000	5 yr, 5mo
Upper Klamath Comprehensive Agreement Partnership	Native Fish	4	\$ 6,000,000	6 years
Upper North Fork John Day Partnership	Native Fish, Dry Type	6	\$ 7,320,000	6 years
Willamette Anchor Habitat Working Group	Native Fish	3	\$ 9,390,000	6 years

* OWEB Regions: 1 - North Coast; 2 - Southwest; 3 - Willamette Valley; 4 - Central; 5 - Eastern; 6 - Mid-Columbia

FOCUSED INVESTMENT PARTNERSHIP PROGRAM -- 2015-2017
Capacity Building Letters of Intent

Partnership Name	Priority(ies) Addressed	Region(s)
Central Coast Coho Collaborative	Coho, Estuaries, Native Fish	1
Clackamas Partnership	Native Fish	3
Clatskanie Water Quality & Habitat	Native Fish	1
Family Forests & Farms	Coho	1
John Day Basin Partnership	Native Fish	6
Klamath Lake Forest Health Partnership	Dry Type	4
Klamath Siskiyou Oak Network	Oak	2
Klamath Watershed Health Team	?	4
Lake County Partnership	Closed Lakes	4
Lower Columbia Chum Recovery Partnership	Native Fish	1
Lower John Day Conservation Workgroup	Native Fish, Dry Type	6
Nehalem Coho Strategic Partnership	Coho	1
North Coast Collaborative (Ocean Acidification)	Estuaries, Native Fish	1 & 2
North Coast Collaborative (Riparian)	Coho, Native Fish, Estuaries	1
Northern Malheur Watershed Resource Partnership	Sagebrush	5
Oregon Central Coast Estuary Collaborative	Estuaries, Coho, Native Fish	1
Partners of the North Santiam Watershed	Native Fish	3
Siuslaw Coho Partnership	Coho, Native Fish, Estuaries	1
Umpqua Basin Partnership	Oak, Coho, Native Fish, Estuaries	2
Upper Crooked River Watershed Working Group	Dry Type	4
Wallowa Fish Habitat Restoration Partnership	Native Fish	5
Warner Basin Aquatic Habitat Partnership	Native Fish	4
Wasco County Oak Woodland Partnership	Oak	4
Wild Rivers Coast Estuaries	Estuaries, Coho	2
Willamette Oak Prairie Cooperative	Oak	3

* OWEB Regions: 1 - North Coast; 2 - Southwest; 3 - Willamette Valley; 4 - Central; 5 - Eastern; 6 - Mid-Columbia

July 28-29, 2015 OWEB Board Meeting

Executive Director Update #F-2: Water Acquisition Program

Background

In June 2013, the Board adopted revised administrative rules for OWEB's water acquisition grants. These revised rules created the opportunity for OWEB to coordinate with other funders of water acquisitions to increase efficiency and effectiveness of OWEB's investments in streamflow restoration. Following adoption of the revised rules, staff worked with other funders to draft a coordinated funder framework. This framework outlines a streamlined process for soliciting, reviewing and making funding recommendations in a way that leverages funders' collective investments and creates a more efficient process for local implementers of water acquisitions.

At its January 2014 meeting, the Board approved the associated water acquisitions guidance, which describes the priorities, principles and process for water acquisition grant-making. The process section of the guidance outlined that the 2013-2015 biennium would be used as a pilot test of the coordinated funder framework. The Board guidance noted that only approved and qualified local entities that have water acquisition programs already in place would be eligible for grants in the 2013-15 biennium. This approach reduces the risk to OWEB of funding an entity with an emerging water acquisition program with little experience in carrying out complex water transactions. OWEB contracted with National Fish and Wildlife Foundation (NFWF) to assist with design of the solicitation and review processes for water acquisition grant applications under the pilot test of the framework.

Pilot Test of the Coordinated Funder Framework for Water Acquisitions

In Winter of 2014, the first solicitation under the pilot test occurred, and proposals were submitted by two entities: the Deschutes River Conservancy (DRC) and The Freshwater Trust (TFT), requesting a total of approximately \$123,000. After review, in April 2014, the Board awarded funding in support of both proposals.

Due to cost savings and leveraging of match funding by both award recipients during the 2014 irrigation season, both organizations are extending the 2014 grant funding to support work under these programs in 2015. For this reason, the Board was not be asked to consider funding requests for 2015 under the pilot test of the coordinated funder framework for water acquisitions.

Next Steps

Now that the 2013-2015 biennium has ended, staff are initiating an assessment of the pilot test of the coordinated funder framework. Early examples of lessons learned include:

- Coordination of OWEB's water acquisition solicitation with the solicitation for the NFWF-administered Columbia Basin Water Transactions Program (CBWTP) resulted in some efficiencies for applicants during certain steps in the grant-making process.
- Joint review of applications by the CBWTP's Technical Advisory Committee was very valuable from the perspective of obtaining sound technical review of projects by individuals who are flow-restoration experts.

- OWEB may consider using an “accreditation” approach, such as that employed as part of CBWTP’s process to approve Qualified Local Entities, for water acquisition grant applicants to ensure applicants have the organizational capacity needed to successfully implement water transactions.

Staff will work with the ad-hoc Board subcommittee on acquisitions to consider the findings of this assessment of the pilot test. At the October 2015 meeting, staff will provide the Board with a comprehensive summary of lessons learned from the pilot test, along with staff recommendations regarding next steps for the water acquisition grant program. Based on these recommendations, the Board then will determine the grant-making process for water acquisitions, including which facets of the coordinated funder framework will continue to be utilized.

Staff Contact

If you have questions or need additional information, please contact Renee Davis at renee.davis@state.or.us or 503-986-0203.

July 28-29, 2015 OWEB Board Meeting

Executive Director Update #F-3: Land Acquisition Program

Background

In January 2013, the Board adopted revised administrative rules for OWEB's land acquisition grants. The revised rules included several key components, such as:

1. Use of grant funds – allows grant funds to be used for property purchase price and other costs associated with the acquisition (e.g., survey, appraisal, management plan);
2. Revised components for the grant application process; and
3. A revised evaluation process.

Implementation of the Revised Rules and New Process

In parallel with the rulemaking, OWEB staff undertook an effort to develop a new, more streamlined process to receive, review and make decisions about land acquisition applications. During the 2013-2015 biennium, OWEB implemented the revised rules and new process for land acquisition grants. Applicants submit grant applications for land acquisitions via an online system. Site visits are conducted by staff and teams of ecological reviewers, consisting of subject matter experts selected by the applicant and chosen by staff. Ecological reviewers complete a project evaluation form, and the input of all ecological reviewers is summarized by staff. Project soundness reviews are conducted by a team consisting of staff, the land acquisition program's due-diligence technical assistance contractor, and the Oregon Department of Justice. The reviews include identifying project soundness concerns, which are described in terms of yellow and red flags. A yellow-flag concern is a matter that reviewers felt is concerning, but likely resolvable in the 18-month timeframe allowed for closing transactions after the Board awards funding. A red-flag concern is a matter that reviewers indicate is insurmountable in the granting timeframe.

Staff and the due-diligence contractor also review organizational capacity and community benefits and impacts. Public comment is solicited through several means, including notices and a public hearing that staff hold for each project recommended for funding by the Acquisitions Committee of the Board. Staff then prepare an evaluation of each project that summarizes the review outcomes, identifies yellow and red flags, and provides a score for each project. The scores are calculated from specific sections of the grant application. Completed evaluations are provided to the applicants and posted online. The evaluations are included in the staff recommendation provided to the Board at each April Board meeting, when land acquisition awards are considered. Applicants may provide written or verbal comment to the Board in advance of funding decisions.

Next Steps

Now that the 2013-2015 biennium has ended, staff have initiated outreach to land acquisition stakeholders (e.g., applicants, grantees, members of the land trust community) to obtain feedback about the initial implementation of the new program. Outreach is taking multiple forms, such as online surveys and in-person discussions with stakeholders. Based on the feedback received, along with lessons learned from the staff perspective, near-term and longer

term refinements to the program will be proposed for Board consideration. These refinements may address, among other topics:

- Structure of ecological, project soundness, and/or organizational capacity reviews;
- Iterative communication with applicants during the review process;
- Process steps and timing of these steps during the review period.

Staff will work with the ad-hoc Board subcommittee on acquisitions to assess the need for, and develop, any proposed refinements. At the October 2015 meeting, staff will provide the Board with a summary of this assessment, along with staff recommendations regarding both 1) near-term refinements to the grant solicitation and review process and 2) areas for consideration and refinement over the longer term in coordination with land acquisition stakeholders.

Staff Contact

If you have questions or need additional information, please contact Renee Davis at renee.davis@state.or.us or 503-986-0203.

July 28-29, 2015 OWEB Board Meeting

Executive Director Update #F-4: Budget and Legislative Summary

Introduction

This report provides the Board with a wrap-up of the 2015 Legislative session and includes budget and policy issues that affected OWEB.

OWEB's 2015-2017 Legislatively Adopted Budget

OWEB's budget bills—Senate Bills 5540 and 5541—passed the Senate on June 23 and the House on June 29. The Governor signed the bills on July 6. An overview of OWEB's Legislatively Adopted Budget will be provided at the Board meeting.

The agency's overall budget is \$102,958,545. These funds are comprised of Measure 76 lottery funds, federal funds which are primarily Pacific Coastal Salmon Recovery Funds (PCSRF), and other funds (e.g., Salmon License Plate revenue). Most of these funds directly support OWEB grants and operations. However, the Legislature directed \$9.5 million in PCSRF for the Oregon Department of Fish and Wildlife (ODFW).

Notable budget items for OWEB include:

- A. Agency Operations
 - a. One limited duration position was made permanent.
 - b. Four new limited duration positions were approved:
 - i. Conservation Outcomes Coordinator
 - ii. Conservation Outcomes Specialist
 - iii. Grant Programs Analyst
 - iv. OWEB received ¼ FTE to support forest health collaborative work
 - c. Two limited duration positions were continued to coordinate activities under the Focused Investment Partnerships.
- B. Funding for the Independent Multidisciplinary Science Team was eliminated.
- C. Salmon Plate revenues were moved to the Grants program.

Two legislative budget notes were added to OWEB's budget. One budget note directs OWEB to coordinate with the Oregon Department of Agriculture (ODA) on an initiative to implement watershed restoration projects that improve water quality on agricultural lands. The budget note provides that OWEB shall include a minimum of \$1 million of Lottery Funds in the Board's 2015-2017 Spending Plan to work with ODA to provide grants for technical assistance and restoration projects that restore riparian function, improve watershed health, and increase water quality in ODA's Strategic Implementation Initiatives Areas. The Governor's response to this budget note is found in Attachment A.

The second budget note directs OWEB to increase the total amount of Lottery Funds from the Watershed Conservation Grant Fund made for weed grants by \$500,000, on a one-time basis. These additional grant funds would be used to improve sage grouse habitat through landowner actions to inventory, treat, and reduce plant invasive species threats to sage grouse habitat and

rural economic values and restore native plant habitat. OWEB is directed to work with ODA, local weed boards, and other local delivery mechanisms in getting this additional \$500,000 on the ground improving sage grouse habitat in the shortest time possible. The Governor's response to this budget note will be provided at the July Board meeting, if available.

In the Oregon Department of Forestry (ODF) budget, the legislature has provided \$1,200,000 for grants associated with rangeland wildfire threat reductions. ODF is then directed to provide the funding to OWEB for overseeing the grant program in conjunction with the forest collaboratives grant program managed by OWEB. The funding is to be implemented in a manner consistent with wildfire-related provisions of Oregon's plan for addressing the conservation of greater sage grouse and rural community vitality.

Legislative Policy Issues

During the 2015 Legislative session, OWEB had no agency bills other than its budget bills. Despite that, several policy bills were introduced that had the potential to directly affect OWEB programs. A list of these bills, along with an update about their ultimate status, is listed below:

- A. *HB 3333 regarding Salmon License Plate revenue.* This bill was passed by the Legislature, and as of the writing of this report, anticipated to be signed into law by the Governor. The bill requires OWEB to use Salmon License Plate revenues to fund projects that protect or restore native salmon habitat or restore natural watershed or ecosystem functions by removing artificial obstructions to native salmon migration. The bill was discussed in Agenda Item I.
- B. *HB 3334 regarding a requirement for OWEB to spend \$1 million per year out of the grant program for ten years on sage grouse habitat restoration.* This bill did not pass. At the April, 2015 meeting, the Board committed to making available at least \$10 million through OWEB's grant programs over the next ten years to support projects in the sage-steppe ecosystem that will improve sage grouse habitat.
- C. *SB 202 regarding abolishing the Independent Multidisciplinary Science Team (IMST) and establishing a Task Force on Independent Scientific Review for Natural Resources.* This bill was passed by the Legislature, and as of the writing of this report, anticipated to be signed into law by the Governor. The bill abolishes the IMST and establishes a Task Force on Independent Scientific Review for Natural Resources, staffed by the Institute for Natural Resources at Oregon State University. Funding for the IMST was removed from OWEB's budget.
- D. *SB 204 regarding the establishment of a Working Farms and Forests Task Force and a Clean Water Fund.* The bill did not pass. The Task Force would have studied economic, social, and environmental issues of working farms and forests, including easements and other conservation actions. The Clean Water Fund would have provided \$13 million for OWEB to distribute for improvements in water quality through the purchase of riparian easements and/or restoration action in select watersheds.
- E. *SB 544 regarding limitations on landowner liability for certain watershed restoration projects.* This bill did not pass. Further information on next steps will be forthcoming from the Governor's office.

Staff Contact

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180, or Eric Hartstein at eric.hartstein@state.or.us or 503-986-0029.

Attachment

- A. Governor Brown's Response to OWEB Budget Note



July 6, 2015

The Honorable Peter Courtney
Senate President
State Capitol S-201
Salem, OR 97301

The Honorable Tina Kotek
Speaker of the House
H-269 State Capitol
Salem, OR 97301

RE: Senate Bill 5541 and House Bill 5002:

Dear Senate President Courtney and Speaker Kotek:

Clean water is a top priority for my administration. The work of the Oregon Department of Agriculture (ODA) to address water quality impacts of agriculture, combined with the investments of the Oregon Watershed Enhancement Board (OWEB) in supporting voluntary efforts to improve water quality and riparian habitat on those same lands, are key to assuring that water quality is improving across Oregon.

To that end, the 2015-17 Governor's Recommended Budget included a proposed grant program to target additional funding to incentivize voluntary water quality improvements on agricultural lands identified as Strategic Implementation Areas by ODA. Ultimately, we were not successful in securing those funds legislatively. Instead, the legislature adopted two corresponding budget notes, one in ODA's budget (HB 5002), and one in OWEB's grant program budget bill (SB 5541).

The budget notes state that:

*The [two agencies] shall coordinate * * * to implement an initiative to direct conservation investments for water quality improvement and watershed restoration projects associated with working agricultural lands. To achieve this, the OWEB Board shall include a minimum of \$1,000,000 Lottery Funds in the Board's 2015-17 spending plan to work in collaboration with ODA to provide grants to Soil and Water Conservation Districts, Watershed councils, and other local stewardship organizations, for technical assistance and projects to restore riparian function, improve watershed health and increase water quality in Strategic Implementation Initiatives Areas identified by the OD Agriculture Water Quality program. ODA staff shall be primarily responsible for supporting the grant program.*

While water quality is a top priority, I believe that Oregon's voters – in passing ballot Measure 76 in 2010 – intended to place the responsibility for implementation of the natural resources grant program with OWEB, not the legislature. That is why the Measure prohibits the legislature from limiting expenditures from both the main Parks and Natural Resources Account, and the subaccounts including the OWEB grant program. It is also why the voters directed that one state

agency be responsible for distributing the grant moneys in a manner that achieves *all* of the outcomes the voters identified as necessary to the program. If the legislature begins earmarking grant funds, OWEB's ability to manage the grant program to meet its constitutional purposes will be diminished at best, and ultimately could be thwarted entirely. To maintain public confidence that the watershed grants will be used for all of the purposes that Oregonians voted for, I am directing OWEB to exercise its independent judgment in deciding how best to allocate Watershed Conservation Grant Funds to meet the requirements of Article XV section 4b of the Oregon Constitution.

My direction should not be taken as an indication that OWEB should not consider the legislature's interest in funding agricultural water quality improvements. If OWEB, based on its own judgment, determines that funding for such a program is consistent with its constitutional mandate, then I would support such an action. Further, OWEB funding for water quality improvements on agricultural lands should be coordinated closely with ODA's agricultural water quality program, and focusing funding on ODA's Strategic Implementation Areas makes sense as a way of leveraging both landowner participation and funding from other public and private sources.

Another option may be to utilize federal funding from the Pacific Coast Salmon Recovery Fund to achieve the objectives identified in the budget note. It is my understanding that, due to the strategic nature of this investment, OWEB has received explicit NOAA-Fisheries approval for use PCSRF funding as a part of the agency's competitive grant application.

In closing, let me stress two things: First, it is important to Oregonians (who voted overwhelmingly to support Measure 76 five years ago) that the Watershed Grant Program be administered by OWEB, and that it is OWEB that has the responsibility to see that the constitutional direction in that measure is fulfilled. Second, I share the legislature's desire to coordinate ODA and OWEB programs to improve water quality on agricultural lands more effectively. If OWEB and ODA can make that occur in a manner that is consistent with their respective responsibilities, then they absolutely should do so.

Sincerely,



Kate Brown
Governor

cc: Katy Coba
Director, Oregon Department of Agriculture

Meta Loftsgaarden
Director, Oregon Watershed Enhancement Board

July 28-29, 2015 OWEB Board Meeting

Executive Director Update #F-5: Key Performance Measure Revision Process

Background

As part of the agency's Annual Performance Plan Report to the Oregon Legislature, OWEB reports on a number of Key Performance Measures, or KPMs (Attachment A). These metrics are part of an approach to measure performance and outcomes of state government. Measures must:

- Gauge progress toward agency's goals and mission,
- Use standard terminology and definitions,
- Be few in number,
- Identify performance targets to be achieved during the two year budget cycle,
- Use accurate and reliable data sources,
- Measure customer satisfaction,
- Assign an organizational unit responsible for achieving the target, and
- Address comparable information, where possible.

During the budget deliberation process of each legislative session, the Legislature will approve, disapprove, or change/update each agency's proposed biennial performance measures.

Many of OWEB's KPMs and the targets associated with these metrics were developed over five years ago. While some may still be relevant, with the passage of Constitutional Ballot Measure 76 in 2010, much of the way OWEB operates in relationship to its partner agencies has changed. As an example, OWEB used to be responsible for distributing all funding through Measure 66, including funds distributed for staff to other agencies. With Measure 76, this arrangement changed and OWEB is now the lead agency for the "Grant" fund, but is not responsible for Lottery distributions to other agencies. This change has dramatically impacted the agency's ability to meet a 6% administrative cost ratio target as outlined in KPM #1. In addition, many KPMs are dependent on the reporting of other state or federal agencies. While this is a good idea in concept in that it encourages cross-agency communication on outcomes, it can be a challenge in reality. For example, OWEB is reliant on federal agencies gathering information in their databases, then extracting information from those databases for OWEB to use in KPM reporting. If agencies do not report information to their databases, replace older data with new data that is more accurate, or report differently than the format needed by OWEB for reporting on KPMs, it impacts OWEB's ability to report on measures, appropriately explain changes in data/trends, and/or achieve targets.

During the 2015 Legislative session, OWEB staff notified the Joint Ways & Means Natural Resources Subcommittee that the agency will propose updates to its KPMs for the 2017 Legislative Session. Attachment B is the timeline for developing updated KPMs, which will include discussions with the executive committee in July and information for Board discussion at the October Board meeting.

Staff Contact:

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180.

Attachment

- A. Key Performance Measures
- B. Key Performance Measures Revisions Timeline

2013-2014 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
1	OPERATIONS--The percentage of total funding used in agency operations.
2	OUTSIDE FUNDING--The percentage of funding from other sources resulting from OWEB's grant awards.
3	RESTORATION--The percentage of OWEB watershed restoration investments that address established basin and watershed restoration priorities.
4	PAYMENTS--The percentage of complete grant payment requests paid within 24 days.
5	FISH POPULATIONS--The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.
6	PLANT COMMUNITIES--The percentage of improved riparian stream miles of the total number of stream miles in Oregon.
7	WORK PLANS--The extent to which watershed councils funded by OWEB accomplish their work plans each biennium.
8	FISH MONITORING--The percentage of native fish, where monitoring needs have been quantified, that were monitored to a level considered adequate under the Oregon Plan Monitoring Strategy and ODFW's Native Fish Status Review.
9	SALMON HABITAT QUANTITY--The percentage of potential aquatic salmon habitat made available to salmon each year.
10	CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.

Key Performance Measure Revision Timeline

April 2015 Board	OWEB Board meeting -- Introduce KPM revision topic Director's Update
May 2015	Prepare materials for staff background and June all staff retreat
June 2015	Staff discussion at all-staff retreat providing ideas and feedback on KPM revisions/additions
June 2015	Legislature approves Agency budgets and KPMs for annual report
July 2015	Convene Executive Committee to begin discussing revisions to KPMs
July 2015 Board	OWEB Board meeting -- Discuss process, including having the Executive Committee as lead on KPM revision process
August 2015	Convene Executive Committee to advise on revisions to KPMs
Sept. 30, 2015	OWEB completes FY 2015 Annual Performance Program Report (APPR) with current KPMs
September	Convene Executive Committee for final review of draft KPMs
Oct. 2015 Board	OWEB Board meeting -- Discuss draft KPMs
December 2015	Executive Committee makes changes based on Board feedback
Jan. 2016 Board	OWEB Board meeting -- Board approval of final KPMs (with April 2016 Board meeting as back-up if needed)
April 30, 2016	OWEB submit revised KPMs and inform DAS/LFO
June 30, 2016	DAS/LFO Analysts provide feedback to agency on KPM revisions
September 15, 2016	OWEB completes FY 2006 APPR with current and new KPMs

July 28-29, 2015 OWEB Board Meeting

Executive Director Update #F-6: OWEB Reorganization

In March of 2015 the OWEB Leadership Team began a reorganization process with extensive staff input. The reorganization continues work the agency has already undertaken in this area – continuous improvement, employee engagement, and updates to position descriptions. It is important that each function within the agency is strategically aligned within our organizational structure.

Staff worked with a facilitator to provide organizational options to the leadership team. Their input was largely incorporated into the final design (Attachment A). At the same time, the leadership team worked with Human Resources staff to evaluate all represented positions to determine if their positions were appropriately classified based on current workload. As a result of that analysis, five positions were reclassified.

The new organizational structure was provided to and approved by the Legislature along with amendments requested in relation to the permanent finance plan associated with position reclassifications. Staff will have a chance to provide feedback within the first year of the new structure to ensure it meets the agency's business needs, and adjustments will be made as necessary.

Staff Contact

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180.

Attachment

A. OWEB 2015 Reorganization

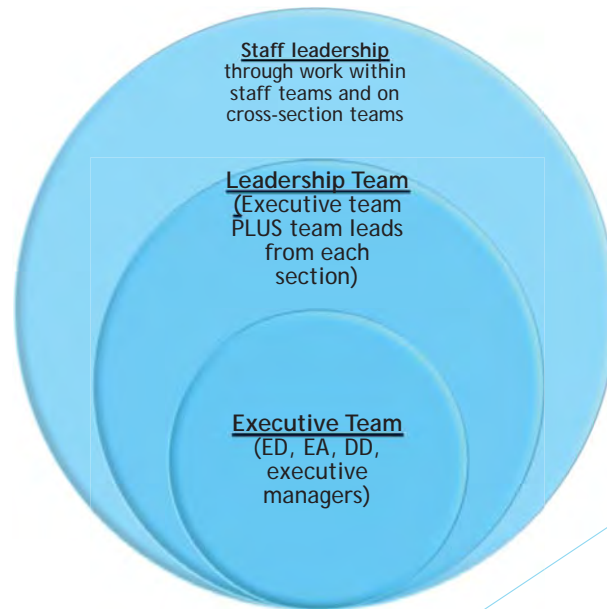
Intro and Background: Direction from Leadership Team

- ▶ **The Business Case: Efficient and Effective Administration**
- ▶ **Process for Staff Input:**
 - ▶ Self Selection for Participation on Team
 - ▶ Strong Communication among all staff
 - ▶ Independent Facilitator - QUICK TURNAROUND!
 - ▶ One or multiple structures/approaches
 - ▶ Present to Executive Team
 - ▶ Executive Team develops final structure

Intro and Background: Side Boards

- | | |
|---|---|
| <ul style="list-style-type: none"> ▶ Underlying Requirements: <ul style="list-style-type: none"> ▶ Structure improves efficiency and effectiveness ▶ Recognizes cross-section teams ▶ Strong communications ▶ Must Have's: <ul style="list-style-type: none"> ▶ RPRs in one location ▶ Fiscal functions remain with fiscal manager | <ul style="list-style-type: none"> ▶ Choices <ul style="list-style-type: none"> ▶ Functions can be under ED ▶ How functions are organized ▶ How Cross-Section Team are used ▶ Avoid <ul style="list-style-type: none"> ▶ Changing individuals' functions (impacts to PD) ▶ Determining Lead Workers (role of Executive Team) ▶ Picking your manager |
|---|---|

Center of New Structure:



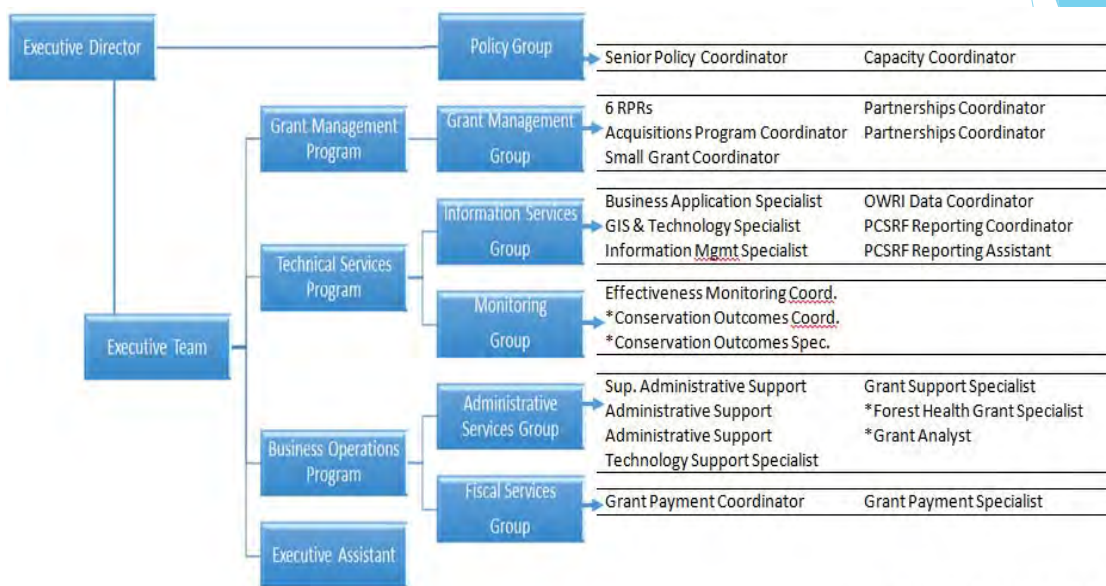
What we heard from staff: Areas to Address

- ▶ Improved Customer Service, Staff Management, Grant Program Management
- ▶ Integrated Team Approach
- ▶ Integrated Information Management Systems
- ▶ Process for 'on-boarding' new programs
- ▶ Adaptability

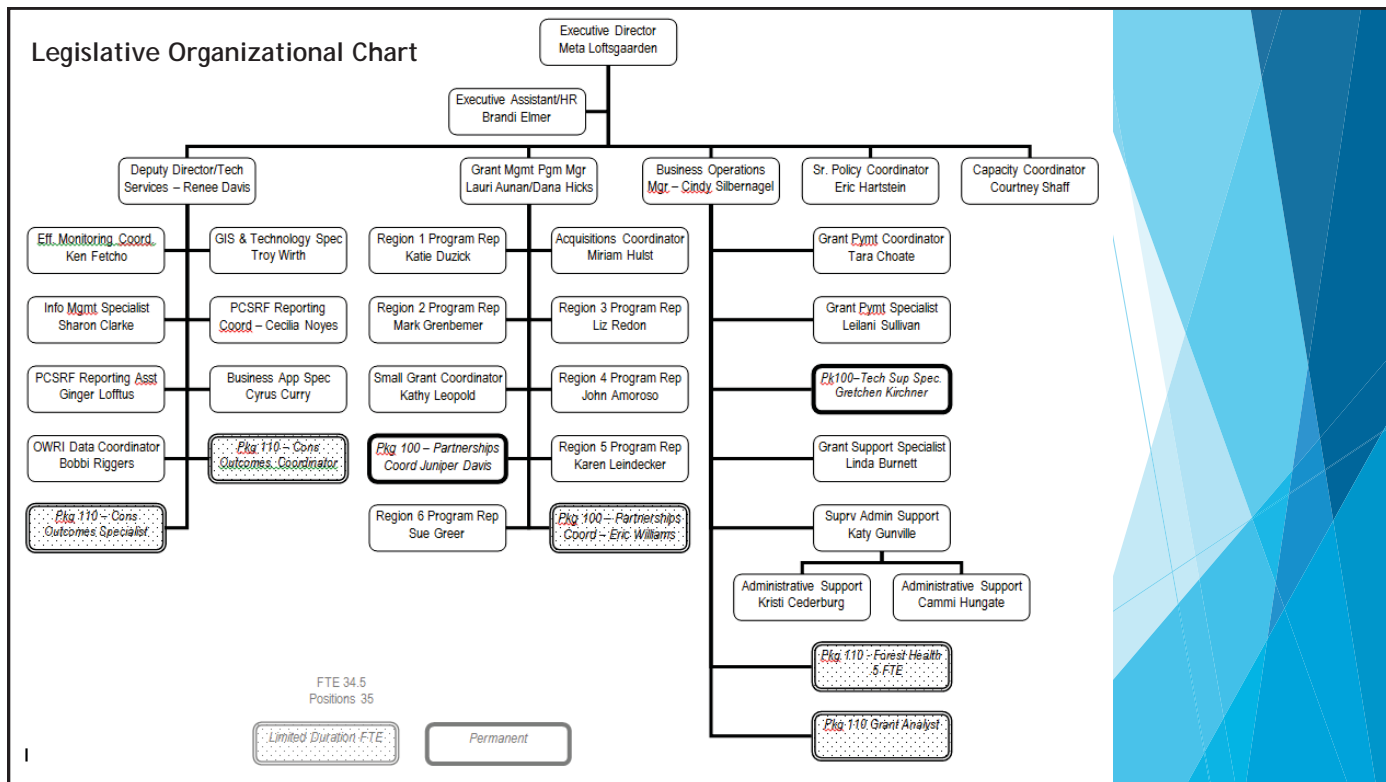
What we heard from staff: Rationale

- ▶ Structure as Provided
- ▶ Adheres to Strategic Plan
- ▶ Meets Identified Values (functions, improved customer service and workflow)
- ▶ Cross-Sectional (Program) Teams Bring:
 - ▶ Agency-wide perspective
 - ▶ Improved communication
 - ▶ Improved customer service

Structure with Positions Included



*Requested Positions through GRB



Cross-Program Teams

- ▶ Policy Team
- ▶ Budget Team
- ▶ Acquisitions Team
- ▶ Grant Services Team
- ▶ Reporting Outcomes Team
- ▶ Online Tools Team*
- ▶ Continuous Improvement Team*
- ▶ Employee Engagement Team*

**These are hybrid teams - a standing team whose members will change based on the specific topic to be addressed*

July 28-29, 2015 OWEB Board Meeting

Executive Director Update #F-7: Long-Term Investment Strategy Update

In 2013, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. This report updates the Board on two tasks associated with the LTIS: Online Grant Applications/Grant Agreement System and Continuous Improvement.

Background

As a result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. From that point forward, OWEB has been reviewing and updating its priorities, policies, programs and practices with the purpose of best positioning the agency as an effective and successful long-term funder of conservation in Oregon.

In June of 2013, the OWEB Board approved its Long Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring. The LTIS is nested within the agency's mission and strategic plan goals, and touches on nearly all aspects of OWEB's responsibilities.

The LTIS implementation items listed below involve a considerable amount of work for OWEB staff above and beyond the typical workload. Staff's goal is to carry out these efforts without diminishing the quality of services our stakeholders regularly expect from the agency. Toward that end, OWEB is utilizing internal cross-sectional teams for many of these tasks to inform agency direction on policies and processes.

Status of Work Items

The following lists the status of two priority work items--Online Grant Applications/Grant Agreement System and Continuous Improvement--during the 2013-2015 biennium:

- A. *Develop online grant applications and grant agreements.* OWEB's goal is to improve effectiveness and efficiency of the agency's grant-making processes for applicants, grantees and OWEB staff. OWEB's target is to launch an online grant application/grant agreement web interface during the 2015-2017 biennium. The system in development currently includes three application types: Restoration, Technical Assistance (TA) and Monitoring. All three were "streamlined" prior to developing the online applications, to ensure these applications gather the key information necessary to 1) review applications and 2) support the grant-making process. Work on the Outreach application is being paused until the Open Solicitation Subcommittee evaluates the need for possible adjustment to outreach grant-making.

To date, the most extensive effort has focused on the restoration applications, given that these are the most complex application types offered by OWEB and they receive the bulk of OWEB's funding. The first of two "alpha" versions of the system is complete and has been tested by an internal team of OWEB staff representing all of the agency's program areas. The system now is being tested by an external stakeholder team to provide feedback about the online system, with another set of testing to follow after refinements are made. Technical staff then will focus their efforts on completing the first "alphas" for the TA and monitoring applications prior to initiating internal and external testing of those application types.

Staff also have developed an early version of an automated grant agreement (GA) template, which will greatly reduce data entry and manual formatting by staff. The system will be refined based on early testing by staff, then will be piloted within one OWEB region for an upcoming grant cycle (likely for awards to be made in October 2015) as part of the Continuous Improvement process (see next section of this Director's Update). The pilot offers an opportunity to test the template's effectiveness and efficiency and identify workflow issues that need to be addressed prior to the template being applied in all of the regions. Ultimately, the automated GA process will be launched as part of OWEB's larger online grant application/grant agreement system.

- B. *Continuous Improvement.* The OWEB Leadership Team has adopted a Continuous Improvement (CI) approach to create adaptive, human-centered, and high performance service excellence. OWEB's CI uses a Lean-Kaizen process to assess agency processes, identify waste, and redesign process steps in program delivery that increase efficiency and focus on value added for customers. Lean-Kaizen provides tools that (1) promote people effectiveness by providing opportunities to develop decision-making and problem-solving skills that address inefficiencies; (2) build organizational adaptiveness through exposing problems, testing solutions, and validating outcomes in a process of reflection and learning respectfully to promote innovation; and (3) enable staff to recognize urgency for incremental improvements that increase effectiveness in achieving OWEB's mission.

Staff continues to introduce improvements to the Open Solicitation grant process that assist in achieving the following target: "People submit high quality applications to get money for measurable watershed improvements....OWEB consistently and rigorously reviews and evaluates each application/project."

A Kaizen workshop was completed in May to look at the application review and evaluation process. Participants worked to resolve the following problem-solving statements:

- In order for a consistent review of applications/projects; we must have....
- In order for Regional Review Teams to provide documentable recommendations on what projects have to be funded and why; we must have...
- In order for staff report to effectively convey funding recommendations to the Board; we must have...

This workshop also identified unique opportunities and challenges associated with moving to online applications, incorporating data collected by OWEB from applicants through the course of previous projects.

Staff will work internally and with Regional Review Team members to explore options for improving the application review, evaluation, and ranking process. Improvements will incorporate lessons learned from OWEB's past review process, and address unique aspects of the current application review resulting from the evolution of projects (e.g., increasing complexity and cost) and funding (e.g., how lottery dollars, PCSRF and salmon plate can be spent). Staff will collect data to measure effects of these changes and determines if improvements should be standardized or need further adaptation.

Some proposed improvements identified during the May 2015 Kaizen workshop that will be explored, tested and monitored include:

- Consistent and standardized use of review criteria.
- Consistent questions asked at Regional Review Team meetings for every application.
- Consistent meeting template across the Regional Review Teams using consistent facilitation and visuals on projects that support discussion.
- Technological solutions to support anonymous voting (e.g., clickers).
- Different prioritization methodologies that support consistent, documentable application ranking that considers the unique nature of projects now being proposed and funding source requirements.

Staff Contact

If you have questions or need additional information, contact Renee Davis at renee.davis@state.or.us or 503-986-0203, or Liz Redon at liz.redon@state.or.us or 503-986-0028.

Attachment

- A. OWEB Strategic Direction & Principles



OWEB Strategic Direction and Principles

OWEB **OWEB's Mission:** To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Goals

Goals from OWEB's 2010 Strategic Plan

In 2010, the OWEB Board approved a strategic plan with five goals. With the passage of Constitutional Measure 76 and permanent Lottery funding, the Board continues to operate under the strategy.

Goal 1: Adaptive Investment

Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

Goal 2: Local Infrastructure Development

Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Goal 3: Public Awareness and Involvement

Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Goal 4: Partnership Development

Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations, and private landowners for watershed and habitat restoration and conservation.

Goal 5: Efficient and Accountable Administration

Ensure efficient and accountable administration of all investments.

Long-Term Investment Strategy

OWEB's Framework for Grant Investments

In 2013, the Board adopted a Long-Term Investment Strategy that guides its investments of Lottery, federal and salmon plate funding. All of OWEB's investments in ecological outcomes also help build communities and support the local economy. The Board also approved a direction for the investments outlined below. They will continue operating capacity and open solicitation grants and continue focused investments with a gradual increase over time.

Operating Capacity

Operating Capacity Investments support the operating costs of effective watershed councils and soil and water conservation districts. Councils and districts are specifically identified in OWEB's statutes.

Open Solicitation

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

Focused Investments

OWEB helps landscape-scale collaborative partnerships achieve collaboratively prioritized ecological outcomes.

Effectiveness Monitoring

OWEB evaluates and reports on the progress and outcomes of watershed work it supports.



OWEB

Guiding Principles

Guiding Principles

As the Board developed the Investment Strategy, they did so under established principles for how any changes in OWEB's programs would operate.

Build on accomplishments. The commitment and work of our local partners have resulted in a nationally and internationally recognized approach with unmatched environmental accomplishments. OWEB will build on this foundation.

Effective communication. OWEB is committed to active, two-way communication of ideas, priorities, and results with its staff, partners, potential partners, and the public as a means for developing and maintaining a strong investment strategy and successful cooperative conservation.

Transparency. OWEB values transparency and develops its Long-Term Investment Strategy through an open, transparent process that involves input and dialogue with stakeholders and staff.

Maximize service, minimize disruption. The Board considers how OWEB's grant portfolio impacts partner organizations and staff resources to maximize effectiveness without adversely affecting service delivery.

Responsive. The Long-Term Investment Strategy will adjust to changes in revenue and be responsive to changes in ecological priorities from the Governor, Legislature, the Board, and local partners.

Adapt based on monitoring and evaluation. OWEB's staff and Board monitor and evaluate the effectiveness and implementation of the Long-Term Investment Strategy. The Board shall adapt and modify the strategy as needed to meet its desired goals and outcomes and to improve overall investment success.

Phase-in Change. OWEB's Long-Term Investment Strategy will guide future efforts, is designed to accommodate changes and adjustments made by stakeholders and OWEB staff, and will be periodically revisited.

Operating Principles

Operating Principles to Enhance OWEB Team Work

We will do all we can, individually and as a group, to:

- **Use Good communication--at all levels and in all directions;**
- **Operate with a Team approach;**
- **Follow through on conversations in order to build and maintain needed trust;**
- **Empower staff wherever it is appropriate to do so; and**
- **Have fun while doing important work!**

July 28-29, 2015 OWEB Board Meeting

Executive Director Update #F-8: Pacific Coast Salmon Recovery Funding

Background

Since 2000, approximately one-third of OWEB's funding (both for grants and operations) has been provided through the competitive Pacific Coast Salmon Recovery Fund (PCSRF) grant process from NOAA-Fisheries. The maximum amount that can be requested in the annual grant cycle is \$25 million. In recent years, Oregon has generally received \$12-\$13 million. For 2015, Oregon was the highest ranked state application and one of the highest ranked overall applications. As a result, NOAA awarded the state nearly \$14.6 million in PCSRF funding for Federal FY2015. As referenced in the spending plan, a portion of these funds are legislatively directed to be transferred to the Oregon Department of Fish and Wildlife (ODFW). There are limitations on eligible uses of the available PCSRF funds based on NOAA recovery priorities and grant types (restoration, TA and monitoring are all allowed). PCSRF funds are also used for OWEB and ODFW staff.

PCSRF is essential for progress toward the recovery of salmon and steelhead stocks. In Oregon, OWEB invests PCSRF in competitive grants in support of local conservation actions which provide ecological benefits above and beyond outcomes achieved through traditional regulatory programs.

Oregon has constitutionally dedicated Lottery funds that provide the long-term state funding to leverage PCSRF funding. Oregon joins with NOAA-Fisheries in support of high priority Recovery Plan implementation. OWEB also accomplishes projects on the ground through the Oregon Plan for Salmon and Watersheds and coordinated agency work.

Oregon's program is complementary to the new priorities established under the PCSRF program beginning in Federal FY 2012. Of the three priorities established by NOAA, the state's Federal FY 2015 funding request focuses on the top two priorities. 90% of the funds requested focus on priority habitat restoration and protection programs for ESA-listed salmonids. 10% of the funds requested will support high priority effectiveness monitoring at the watershed and landscape scales, as well as for critical salmon, steelhead and habitat monitoring.

In addition to serving as the state delivery system for PCSRF investments, OWEB is partnering closely with NOAA-Fisheries staff to invest resources in high priority areas. This includes joint funding from OWEB and the National Fish and Wildlife Foundation to develop strategic business plans to guide local recovery work along the Oregon coast in support of NOAA's recovery plan development, the Board's selection of priorities that align with NOAA recovery plans and current (SIP) and future (FIP) focused investments.

Staff Contact:

If you have questions or need additional information, contact Renee Davis at renee.davis@state.or.us or 503-986-0203.

July 28-29, 2015 OWEB Board Meeting

Executive Director Update #F-9: SIP Partnership Reports

Background

OWEB staff is working with partners and the Board to develop a draft framework for the Board to understand and evaluate the extent of progress made by existing Special Investment Partnerships (SIPs). This framework will also guide how Focused Investment Partnership progress is assessed and reported to the Board in the future. A general outline of the framework was presented at the January, 2015 Board meeting, and has since been refined based on feedback received at a combined meeting of the Focused Investments and Monitoring Board Subcommittees in March and April. Staff has been focusing on developing a template using the Deschutes SIP as a basis, with the latest version provided to the Board at the April meeting. Staff made additional edits to the template after incorporating comments received from the Deschutes Partnership in May and Monitoring Board Subcommittee in June.

Staff is currently working with the Deschutes Partnership to compile additional information to complete this report now that the template has been finalized. Based on feedback from the Deschutes Partnership and internal conversations, the schedule has been revised. The Deschutes SIP Report will be provided to the Board in October, 2015. Staff is moving forward with completing similar templates to report on the Willamette and Upper Klamath SIPs. In June, staff met with the Upper Klamath SIP partners to begin compiling information and expect to deliver the Upper Klamath SIP Report at the January 2016 Board meeting. Similarly, staff will continue to work with the partners to understand and evaluate the extent of progress made in the Willamette SIP and also expect to deliver that report at the January 2016 Board meeting.

Staff Contact

If you have questions or need additional information, contact Ken Fetcho, Effectiveness Monitoring Coordinator at ken.fetcho@state.or.us or 503-986-0035.

July 28-29, 2015 OWEB Board Meeting

Executive Director Update F-10: 2015-2017 Biennium Grant Application Deadlines and Board Meeting Dates

Background

During the April 28-29, 2015 OWEB Board meeting, the Board adopted a 2015-2017 grant offering schedule and Board meeting dates (Attachment A). During discussion on this agenda item, the Board indicated interest in investigating issues related to Open Solicitation grant deadlines because they occur prior to the Board approval of grants for the previous grant cycle.

Staff met internally to discuss these issues and review options to move grant application deadlines and Board meeting dates. Staff considered the following in their analysis: staff workload, the desire to allow additional time for grant applicants between Board decisions on one grant cycle and the application deadline for the subsequent grant cycle, avoiding scheduling conflicts with other events and holidays, and the need to schedule site visits in a way that avoids hazardous travel conditions. After analysis, staff determined that the current schedule, while not perfect, was the best option for grant cycles and Board meetings.

In addition, staff acknowledged that any changes to the adopted grant schedule at this point would not benefit from changes that are likely to result from Continuous Improvement. Continuous Improvement is a staff-led initiative that is identifying ways to improve the grant application and review process.

As a result, the grant offering schedule and Board meeting dates will be implemented as outlined in Attachment A. The schedule will be reconsidered in the next biennium with the implementation of the online grant application process.

Staff Contact

If you have questions or need additional information, contact Dana Hicks at dana.hicks@state.or.us or 503-986-0047.

Attachment

- A. 2015-2017 Biennium Grant Application Deadlines and Board Meeting Dates

2015-2017 Biennium Grant Application Deadlines and Board Meeting Dates

Application Deadline	Application Type(s)	Board Meeting Dates/Locations
	N/A	July 28-29, 2015 (T-W) Region 4, Prineville
April 20, 2015	Restoration, Water Acquisition, Technical Assistance	October 27-28, 2015 (T-W) Region 6, John Day
	N/A	January 26-27, 2016 (T-W) Region 3, McMinnville
October 19, 2015	Restoration, Technical Assistance, Outreach, Monitoring, Land Acquisition	April 26-27, 2016 (T-W) Region 5, LaGrande
	N/A	July 26-27, 2016 (T-W) Region 1, Lincoln City/Seaside
April 18, 2016	Restoration, Technical Assistance, Other types to be determined	October 25-26, 2016 (T-W) Region 2, North Bend, Ashland
	N/A	January 24-25, 2017 (T-W) Region 4, Madras
October 17, 2016	Restoration, Technical Assistance, Land Acquisition, Other types to be determined	April 25-26, 2017 (T-W) Region 3, Salem
March 2, 2017	Council Capacity	July 25-26, 2017 (T-W) Location TBA
April 17, 2017	To be determined	October 24-25, 2017 (T-W) Location TBA
	N/A	January 30-31, 2018 (T-W) Location TBD
October 23, 2017	To be determined	April 24-25, 2018 (T-W) Location TBD
	N/A	July 24-25, 2018 (T-W) Location TBD

** Two cycles for Water Acquisitions during 2015-2017 biennium (timing TBD)



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290
(503) 986-0178
FAX (503) 986-0199
www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Meta Loftsgaarden, Executive Director
Eric Hartstein, Senior Policy Coordinator
SUBJECT: **Agenda Item I: Salmon License Plate Policy**
July 28-29, 2015 OWEB Board Meeting

I. Introduction

OWEB receives half of the revenues that come from the sales of Salmon License Plates – the remaining half is dedicated to the Oregon Parks and Recreation Department. In the last three biennia, this has averaged approximately \$500,000. Staff request the Board establish a policy directing expenditures of these funds toward identified salmon restoration projects in each region.

II. Background

Prior to the 2015 Legislative Session, per Oregon statutes, Salmon License Plate revenues could be used for activities related to the restoration and protection of watersheds, native fish and wildlife and water quality. Prior to 2009, OWEB used these funds for a variety of granting purposes.

In 2009, faced with declining state revenues, both the executive branch and the legislature looked for a number of means to continue to support state services. Staff is an allowable cost under the statutes for license plate revenues, so while staff in other agencies were shifted from General Fund to Lottery Funds, OWEB shifted a staff person from Lottery Funds to Salmon License Plate revenues to continue essential agency granting functions. This position remained funded in this manner as a part of the agency's base budget in subsequent biennia.

In the 2015 Legislative Session, Salmon License Plate revenues distributed to OWEB were moved in the agency budget to the Grants program. The Legislature further tightened the use of Salmon License Plate revenues through passage of House Bill (HB) 3333, which restricts the funds to specific types of restoration projects. Specifically, HB 3333 directs the agency to use Salmon License Plate revenues only to fund projects to protect or restore native salmon habitat, or restore natural watershed or ecosystem functions by removing artificial obstructions to native salmon migration.

III. Incorporating Salmon License Plate Revenue into the Open Solicitation Grant Program

In anticipation of the bill's passage, in early 2015, staff provided input on a variety of options for use of Salmon License Plate revenues. As a result of these discussions and feedback, staff propose the following:

- 1) Beginning with the April 2015 Open Solicitation grant cycle, each region will submit its most iconic salmon-related restoration project for recognition at the Board meeting where grants are awarded. For the April 2015 grant cycle, OWEB staff will recommend the projects to be recognized for Salmon License Plate funding at the October, 2015 OWEB Board meeting. In subsequent grant cycles, the Regional Review Teams will recommend the projects to be recognized for Salmon License Plate funding, and the process will continue in all open solicitation grant cycles.
- 2) With Board approval, identified projects will be funded partially through available Salmon License Plate revenues, with the remainder of the project funding coming through Lottery or Federal funds as appropriate.
- 3) This will allow Salmon License Plate revenues to help fund salmon-related restoration projects across the state which will meet the requirements of HB 3333. It will also provide for public outreach through press releases to local and statewide media that will announce funding of the selected projects through Salmon License Plate revenues.

IV. Recommendation

Staff recommend the Board adopt a policy that in each Open Solicitation grant cycle, every region will recommend an iconic restoration project that will protect or restore native salmon habitat, or restore natural watershed or ecosystem functions by removing artificial obstructions to native salmon migration. With Board approval, Salmon License Plate revenues will be distributed amongst those identified projects.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290
(503) 986-0178
FAX (503) 986-0199
www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: John Byers, Oregon Department of Agriculture
SUBJECT: **Agenda Item J: Strategic Implementation Area Update
July 28-29, 2015 OWEB Board Meeting**

I. Introduction

The Oregon Department of Agriculture (ODA) Ag Water Quality Management Program works to develop Ag Water Quality Plans and regulations to prevent and control water pollution from agricultural activities. The regulations (Area Rules) tailored for 38 management areas in Oregon, apply to agricultural lands regardless of size.

Achievement of water quality goals and compliance with regulations are best achieved through voluntary cooperation among landowners and natural resource partners to address management concerns and by ODA conducting enforcement activities when necessary.

ODA has developed and is implementing the Strategic Implementation Area process to prioritize, conduct outreach, and ensure rule compliance in small watersheds throughout Oregon.

II. Background

During the 2013-2015 biennium, ODA developed and tested the Strategic Implementation Area (SIA) process in cooperation with the Clackamas County and Wasco County Soil and Water Conservation Districts (SWCDs).

ODA conducted a remote Compliance Evaluation on agricultural lands in Noyer Creek in Clackamas County and Mill Creek in Wasco County. The Compliance Evaluation identified agricultural lands with a connection to waters of the state and quantified the potential likelihood that agricultural activities could be contributing to water pollution. Results of this evaluation were shared with area landowners. Follow up outreach was directed to landowners based upon the pollution contribution potential on their property. Landowners were invited to contact ODA or their local SWCD for additional information.

The SIA tests in Clackamas and Wasco Counties were successful. ODA is planning on conducting the SIA process in 6 watersheds beginning July 1, 2015. *Likely* areas include East Multnomah/Clackamas County SWCDs; Deschutes SWCD, Polk SWCD, Columbia SWCD, Yamhill SWCD, and Jackson SWCD.

III. Recommendation

This is an information item, no action is required.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB

MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Courtney Shaff, Capacity Coordinator
SUBJECT: Agenda Item K: 2015-2017 Council Capacity Grant Awards
July 28-29, 2015 OWEB Board Meeting



I. Introduction

This report describes the 2015-2017 Council Capacity grant eligibility and merit review. Staff request the Board consider the funding recommendation outlined in Attachment F to the staff report. Staff recommend funding 58 watershed councils (councils) for \$6.25 million. One council is not recommended for funding.

II. Background

For more than 15 years, OWEB has provided capacity grants to a total of 64 councils. The Board's policy direction, adopted in June 2013, is to cap the number of individual capacity *grants* at no more than 64. Councils' geographic areas can change, but OWEB will not fund councils with areas smaller than currently recognized geographies that have received individual support grants (Attachment A).

In July 2014, the Board adopted administrative rules and Guidance for Council Capacity grants, which help support the operating capacity of effective Councils. The Council Capacity grant process (Attachment B) includes both an eligibility determination (Section III) and initial and secondary merit review (Section IV).

III. Eligibility Determination

Eligibility criteria define how OWEB will determine whether a council is eligible to apply for a Council Capacity grant. The eligibility criteria do not limit or control the existence or creation of councils. Councils may form according to ORS 541.910 and 541.890(15); however, OWEB shall not accept an application for a Council Capacity grant unless OWEB determines the council or group of councils meets the eligibility criteria.

As a first step, 59 councils submitted materials for the eligibility review. OWEB staff reviewed submitted materials to ensure that all required materials were present based on the eligibility criteria (Attachment C). In this review, eight councils were determined ineligible because of incomplete materials. All eight councils appealed, which included submitting a letter and additional materials to the Director. After review, the Director determined all eight councils were eligible to apply for a Council Capacity grant.

IV. Merit Review

All 59 eligible councils submitted Council Capacity grant applications and work plans. Merit criteria (Attachment D) evaluate councils for performance and progress including how the council addresses challenges.

- A. Initial Merit Review.** The initial review panel consisted of OWEB staff (Attachment E). Staff reviewed application materials and considered their knowledge of each council's history when making the initial merit determination. Recommended for full funding were 44 councils that met all merit criteria. 15 councils did not meet all criteria, were new or reorganized, and were referred to the secondary review and interview process.
- B. Secondary Review and Interview.** The secondary review panel consisted of OWEB staff and external reviewers (Attachment E). The secondary reviewers considered: 1) information in the application materials and any supplemental materials provided by the council; 2) reviewers' knowledge of the council; 3) OWEB staff input, and 4) the interview.

V. Staff Funding Recommendations

Staff funding recommendations are based on 1) the merit evaluation and 2) available funding. Staff recommend three funding levels as described in Attachment F and summarized below. Individual council evaluations can be found in Attachment G. Staff recommend full funding for 47 councils at \$110,275 (ten councils for full funding plus umbrella funding), reduced funding for 11 councils at \$88,275, and one council for Do Not Fund.

- A. Full Funding Plus Umbrella Funding.** Type (a) umbrella councils provide support to and coordination for at least three councils, has a coordinating council, shared staff, and a single Council Capacity Grant. Type (b) umbrella councils serve an area containing three or more 4th field hydrologic units. Type (a/b) umbrella councils meet the definitions of (a) and (b).

Councils can only receive the umbrella funding in 2015-2017 if they meet the following criteria: 1) Received added umbrella funding in 2013-2015; 2) Meet the applicable umbrella definitions, and 3) Meet all merit criteria.

OWEB plans to eliminate the added umbrella funding by the 2017-2019 biennium and, with stakeholder input, evaluate approaches to recognize strategic collaboration that results in increased collective local capacity.

- B. Do Not Fund.** For the 2015-2017 funding cycle, OWEB staff recommend the Seven Basins Watershed Council for the Do Not Fund category. OWEB staff and the Board Operating Capacity Subcommittee recognize the significance of this recommendation and do not make it lightly. This recommendation is based on two key items: 1) the council has not demonstrated adequate performance during the last two years and 2) the council's lack of awareness of their organizational problems. Additional details are described below.

1. **Initial and Secondary Review.** During the initial merit review staff had the following concerns:

- Lack of clarity regarding the role of officers in the governance and operations of the council.
- Lack of documentation of council operations.
- Lack of clarity regarding management and oversight of the Coordinator.
- Lack of stakeholder engagement in planning the work of the council.
- Lack of progress toward on-the-ground restoration.
- Lack of progress towards community engagement for the purposes of restoration.

The secondary review and interview included the Council Coordinator, the council chair, and an additional council member. The secondary reviewers felt that the council inadequately answered the questions raised during the initial merit review. Specifically the council:

- Did not demonstrate board leadership. The board members did not demonstrate an understanding of their role in running the organization, especially when using a contractor as the coordinator. All the work and decisions fall to the contracted coordinator.
- Has not made any effort to improve how it manages its open grants in light of a recently canceled OWEB grant and repeated lack of response to OWEB staff requests for required grant related information.
- Did not demonstrate progress toward on-the-ground restoration.
- Did not demonstrate that it engages stakeholders to plan the work of the council or is linking planning to future restoration work.

2. **Next Steps.** It is important to note that the “Do Not Fund” recommendation for the 2015-2017 biennium is not permanent and the council may submit Council Capacity grant eligibility determination documents in future cycles.

VI. Recommendation

Staff recommend the Board award Council Capacity grants as described in Attachment F.

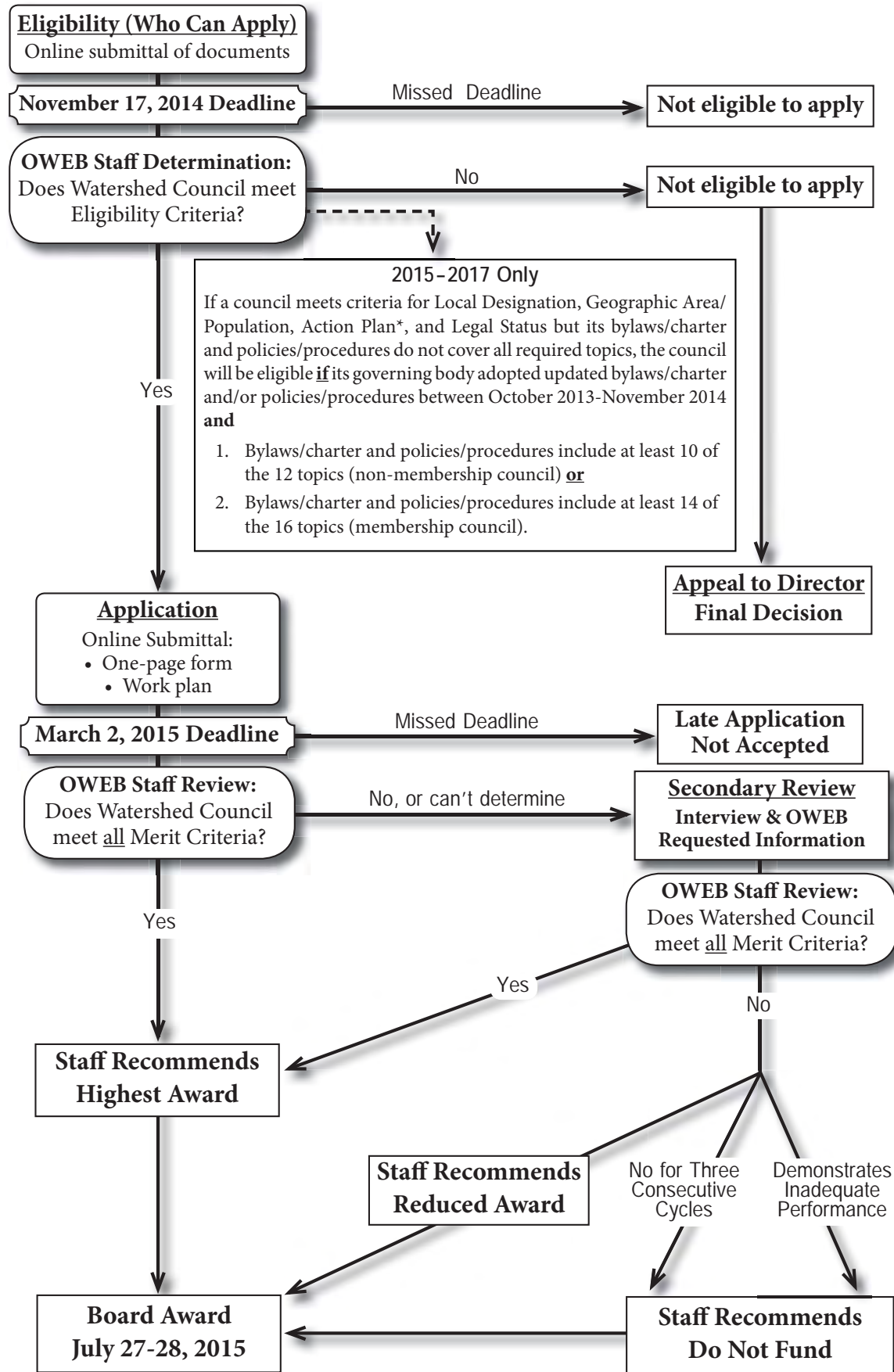
Attachments

- A. Map of Locally Recognized Watershed Councils
- B. Flow Chart of Council Capacity Grant Process
- C. Eligibility Criteria Overview
- D. Merit Criteria Overview
- E. Initial and Secondary Review Panel Members
- F. Staff Funding Recommendations
- G. Council Capacity Evaluations



OREGON WATERSHED ENHANCEMENT BOARD (OWEB)
COUNCIL CAPACITY GRANT PROCESS

Attachment B
Revised July 2014



*2015-2017 cycle only: councils that do not have a Council Action Plan by November 17, 2014 have until May 1, 2015, to submit the action plan and proof of governing body adoption.

Council Capacity Eligibility Criteria Overview

Eligibility criteria seek to ensure that OWEB's council capacity investment:

1. Is an effective and accountable use of public funds;
2. Supports watershed councils that meet the intent of Oregon statutes defining watershed councils; and
3. Encourages strategic collaboration to build collective local capacity for watershed restoration.

Eligibility Criteria

Topic	<i>New Eligibility Criteria: Review for presence/absence</i>
Local Designation	<ul style="list-style-type: none"> • Any local government if previously awarded a Council Support Grant • County-level for new or reorganized councils
Geographic Area and Population	<ul style="list-style-type: none"> • Cover the same or larger geographic area as served by a council or group of councils as of July 1, 2013 (cap of 64 grants) • One grant per geographic area • Minimum population of 500 individuals (residents and absentees)
Action Plan	<ul style="list-style-type: none"> • Council governing body-adopted action plan
Legal Entity	<ul style="list-style-type: none"> • State of Oregon registration number, or • Fiscal sponsorship agreement with 501(c)(3), SWCD, city, county or tribal government
Organizational Structure and Business Operations	<ul style="list-style-type: none"> • Bylaws/charter and policies and procedures include standard best-practices governance provisions

Council Capacity Merit Criteria Overview

The goals of the merit review are to:

1. Ensure strategic and accountable investment of public funds;
2. Encourage continuous improvement in watershed councils' organizational management, operating structure, and functions, and the planning and implementation of on-the-ground watershed protection, restoration, enhancement, and community engagement activities; and
3. Ensure watershed councils are working toward strengthening their role in watersheds through activities focusing on council resilience, leadership, collaboration, and representing a balance of interested and affected persons within the watershed as required by ORS 541.910(2).

Merit Criteria

<i>Merit Criteria</i>	<i>Review for performance</i>
Effective Governance	<p>The council:</p> <ul style="list-style-type: none"> • Has effective bylaws/charter and policies/ procedures, and follows them. • Includes a balance of interested and affected persons on its governing body. • Regularly evaluates and takes action to improve its organization.
Effective Management	<p>The council's governing body acts to:</p> <ul style="list-style-type: none"> • Ensure the council meets legal obligations and requirements. • Support successful achievement of the council's goals. • Create a structure, policies, and procedures to support good governance. • Provide effective oversight of staff and contractors. • Continuously improve its business practices.
Progress in planning	<p>The council:</p> <ul style="list-style-type: none"> • Uses planning documents to identify and implement restoration and community engagement projects. • Regularly evaluates and updates its action plan and work plans. • Engages a mix of stakeholders in its planning.
Progress in On-the-Ground Restoration	<p>The council's actions result in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.</p>
Progress in Community Engagement	<p>The council makes progress in achieving community engagement objectives that address limiting factors identified in the council's 2-year work plan.</p>

Council Capacity Grant Initial and Secondary Review Panels

Part 1. Initial Review Panel

Role: To provide input on whether the watershed councils met all five merit criteria (Attachment D).

Initial Merit Review Panel Members		
Staff Name	Position	Assignment
Courtney Shaff	Grant Program Coordinator	All applications
Tom Shafer	Retired Region 1 Program Representative	Region 1 applications
Mark Grenbemer	Region 2 Program Representative	Region 2 applications
Liz Redon	Region 3 Program Representative	Region 3 applications
John Amoroso	Region 4 Program Representative	Region 4 applications
Karen Leiendecker	Region 5 Program Representative	Region 5 applications
Sue Greer	Region 6 Program Representative	Region 6 applications
Wendy Hudson	Retired Partnerships Coordinator	Applications from councils involved in the Willamette SIP
Juniper Davis	Partnerships Coordinator	Applications from councils involved in the Deschutes SIP
Eric Hartstein	Senior Policy Coordinator	Applications from councils involved in the Klamath SIP
Ken Fetcho	Effectiveness Monitoring Specialist	Application from councils involved in programmatic monitoring supported by OWEB

Part II: Secondary Review Panel

Role: To provide objective input on whether OWEB should change the initial merit determination of the watershed council.

OWEB staff participating in the secondary review and interview included the Grant Program Coordinator and appropriate Regional Program Representative. However, Dana Hicks, Interim Grant Program Manager participated in the Region 1 review due to the retirement of the Region 1 Program Representative.

External Members of Secondary Review Panel		
Name	Affiliation	Assignment
Denise Lofman	CREST	Region 1 Reviewer
Marie Simonds	Wild River Coast Alliance	Region 2 Reviewer
Peg Boulay	University of Oregon	Region 3 Reviewer
Kyle Gormon	Oregon Water Resources Department	Region 4 Reviewer
Greg Ciannella	Oregon State Parks	Region 5 Reviewer
Sandy McKay	Gilliam East-John Day SWCD	Region 6 Reviewer
Eric Nusbaum	Oregon Department of Agriculture	SW Reviewer
Steve Hanson	Oregon Department of Environmental Quality	SW Reviewer

2015-2017 COUNCIL CAPACITY STAFF FUNDING RECOMMENDATION

		Applicant (by funding category and application number)		Option A = 6.25, Umbrella Bonus: (a)=.12, (b)=.06, (a)/(b)=.15			
Staff Recommended Funding Level	Part of Secondary Review	App#	(a), (b) or ((a)/(b)) next to the applicant name, indicates an umbrella council.	2015-2017 Base Award	Umbrella Bonus	2015-2017 total award	2013-2015 total award
Full Funding	y	216-001	^North Coast WS Assn (a)	\$110,275	\$13,233	\$123,508	\$116,203
Full Funding		216-002	Lower Columbia River WC	\$110,275		\$110,275	\$85,300
Full Funding		216-003	MidCoast Watersheds Council (a)	\$110,275	\$13,233	\$123,508	\$128,355
Full Funding		216-004	Upper Nehalem WC	\$110,275		\$110,275	\$98,500
Full Funding		216-005	Nestucca-Neskowin WC	\$110,275		\$110,275	\$98,500
Full Funding		216-006	Siuslaw WC	\$110,275		\$110,275	\$108,775
Full Funding		216-007	Tillamook Bay WC	\$110,275		\$110,275	\$98,500
Full Funding		216-008	Applegate River WC	\$110,275		\$110,275	\$85,300
Full Funding		216-010	Coos Watershed Association	\$110,275		\$110,275	\$108,775
Full Funding		216-011	Coquille Watershed Association	\$110,275		\$110,275	\$85,300
Full Funding		216-014	Lower Rogue WC	\$110,275		\$110,275	\$98,500
Full Funding		216-016	South Coast WC (a)	\$110,275	\$13,233	\$123,508	\$128,355
Full Funding		216-017	Tenmile Lakes Basin Partnership	\$110,275		\$110,275	\$108,775
Full Funding		216-018	Partnership for the Umpqua Rivers (b)	\$110,275	\$6,617	\$116,892	\$118,565
Full Funding	y	216-019	^# Rogue River WC	\$110,275		\$110,275	\$0
Full Funding		216-022	Calapooia WC	\$110,275		\$110,275	\$108,775
Full Funding		216-023	Clackamas River Basin Council	\$110,275		\$110,275	\$98,500
Full Funding		216-024	Coast Fork Willamette WC	\$110,275		\$110,275	\$98,500
Full Funding		216-025	Columbia Slough WC	\$110,275		\$110,275	\$98,500
Full Funding		216-026	Johnson Creek WC	\$110,275		\$110,275	\$108,775
Full Funding		216-027	Long Tom WC	\$110,275		\$110,275	\$108,775
Full Funding		216-028	Marys River WC	\$110,275		\$110,275	\$98,500
Full Funding		216-029	Middle Fork Willamette WC	\$110,275		\$110,275	\$98,500
Full Funding		216-030	North Santiam WC	\$110,275		\$110,275	\$108,775
Full Funding		216-034	Sandy River Basin WC	\$110,275		\$110,275	\$108,775
Full Funding		216-035	Scappoose Bay WC	\$110,275		\$110,275	\$98,500
Full Funding		216-037	Tualatin River WC	\$110,275		\$110,275	\$98,500
Full Funding		216-038	McKenzie WC	\$110,275		\$110,275	\$108,775
Full Funding		216-039	Greater Yamhill WC	\$110,275		\$110,275	\$85,300
Full Funding		216-040	Klamath WS Partners (b)	\$110,275	\$6,617	\$116,892	\$104,066
Full Funding		216-041	Crooked River WC (b)	\$110,275	\$6,617	\$116,892	\$107,365
Full Funding		216-042	Gilliam-East John Day WC	\$110,275		\$110,275	\$98,500
Full Funding		216-043	Hood River Watershed Group	\$110,275		\$110,275	\$108,775
Full Funding		216-045	Lake County WCs (a) and (b)	\$110,275	\$16,541	\$126,816	\$132,706
Full Funding		216-047	Upper Deschutes WC	\$110,275		\$110,275	\$108,775
Full Funding		216-048	Wasco Area WCs	\$110,275		\$110,275	\$98,500
Full Funding		216-049	Grande Ronde Model WS Program (b)	\$110,275	\$6,617	\$116,892	\$107,365
Full Funding		216-052	North Fork John Day WC	\$110,275		\$110,275	\$108,775
Full Funding		216-053	Umatilla Basin WC	\$110,275		\$110,275	\$98,500
Full Funding		216-054	Walla Walla Basin WC	\$110,275		\$110,275	\$108,775
Full Funding	y	216-055	^Mid John Day-Bridge Creek WC	\$110,275		\$110,275	\$85,300
Full Funding		216-056	Owyhee WC (b)	\$110,275	\$6,617	\$116,892	\$118,565
Full Funding		216-057	Powder Basin WC (b)	\$110,275	\$6,617	\$116,892	\$107,365
Full Funding		216-058	Luckiamute WC	\$110,275		\$110,275	\$108,775
Full Funding		216-061	Lower Nehalem WC	\$110,275		\$110,275	\$98,500
Full Funding		216-062	Necanicum WC	\$110,275		\$110,275	\$98,500
Full Funding		216-063	Upper South Fork John Day WC	\$110,275		\$110,275	\$50,415
Reduced Funding	y	216-012	Illinois Valley WC	\$88,275		\$88,275	\$98,500
Reduced Funding	y	216-021	Elk Creek WC	\$88,275		\$88,275	\$98,500
Reduced Funding	y	216-032	Rickreall & Glenn-Gibson Cr WCs	\$88,275		\$88,275	\$85,300
Reduced Funding	y	216-036	South Santiam WC	\$88,275		\$88,275	\$98,500
Reduced Funding	y	216-044	Middle Deschutes WC (b)	\$88,275		\$88,275	\$0
Reduced Funding	y	216-050	Harney WC (b)	\$88,275		\$88,275	\$99,960
Reduced Funding	y	216-051	Malheur WC (b)	\$88,275		\$88,275	\$132,706
Reduced Funding	y	216-059	Greater Oregon City WC	\$88,275		\$88,275	\$0
Reduced Funding	y	216-060	Smith River Wc	\$88,275		\$88,275	\$85,300
Reduced Funding	y	216-064	Mollala River Watch	\$88,275		\$88,275	\$85,300
Reduced Funding	y	216-046	Sherman County WC	\$88,275		\$88,275	\$100,654
Do Not Fund	y	216-020	Seven Basins WC	\$0		\$0	\$98,500
				\$6,153,950	\$95,939	\$6,249,889	
(a) means an umbrella council that provides support to and coordination for at least three watershed councils, has a coordinating council, shared staff, and a single Council Capacity Grant							
(b) means an umbrella council that serves an area containing three or more 4th field hydrologic units							
(a)/(b) means a council that meets both (a) and (b) definitions							
# The Rogue River WC is a newly formed organization created through the merging of 4 individual watershed councils.							
^ Watershed councils originally recommended for reduced funding but after the secondary review and interview they were recommended for full funding.							

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-001

Project Type: Operating Capacity

Project Name: North Coast Watershed Association

Applicant: North Coast WS Assn

Application Description: The project seeks to fund a Watershed Council Coordinator position and operating expenses for the North Coast Watershed Association. Council identified watershed limiting factors include knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective governance. Lack of effective governance was demonstrated through:

- The council work plan and application materials did not demonstrate the council had a structure in place to coordinate work between the individual councils and the coordinating council.

However, during the Secondary Review, OWEB staff found the council to demonstrate effective governance through the implementation of new governance measures to more effectively coordinate the work between the individual councils and the coordinating council.

Merit Criterion #2: Effective Management

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective management. Lack of effective management was demonstrated through:

- The council work plans and application materials did not demonstrate the council has policies and procedures in place to effectively manage the work of the council coordinator.

However, during the Secondary Review, OWEB staff found the council to demonstrate effective management through the implementation of new management measures to effectively manage and supervise the work of the council coordinator.

Merit Criterion #3: Progress in Planning

OWEB staff found the council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The council work plans and application materials did not demonstrate it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council.

However, during the Secondary Review, OWEB staff found the council to demonstrate progress in planning through its work with stakeholders to plan and prioritize the work of the council.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans, resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council did not demonstrate progress in community engagement for watershed restoration purposes. Lack of progress was demonstrated through:

- The council work plans and application materials did not demonstrate the council works to actively engage its watershed stakeholders for watershed restoration purposes.

However, during the Secondary Review, OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes through partnering and working on community engagement projects for watershed restoration purposes.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Does not agree with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Full base funding plus umbrella funding: meet all merit criteria

Staff Recommended Award

\$ 123,508.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-002

Project Type: Operating Capacity

Project Name: Lower Columbia River WC

Applicant: Lower Columbia River WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Lower Columbia River Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality - altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities. The council, through the SWCD, having on file a position description for the council's coordinator and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans which result in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence was demonstrated through the council's work plans, resulting in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-003

Project Type: Operating Capacity

Project Name: MidCoast Watersheds Council

Applicant: MidCoast WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the MidCoast Watersheds Council including the Yaquina Group and the Siletz Watershed Council, which are Basin Planning Teams, and the Salmon-Drift Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities. The council having on file a position description for the council's coordinator and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans, which result in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. The council's work plans demonstrate its actions and result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding plus umbrella funding: meet all merit criteria

Staff Recommended Award

\$ 123,508.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-004

Project Type: Operating Capacity

Project Name: Upper Nehalem Watershed Council

Applicant: Upper Nehalem WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Upper Nehalem Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity- altered hydrology, knowledge gaps, lack of information, physical habitat quality - altered quality of physical habitat, water quality-altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans demonstrating its actions result in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence demonstrated through the council's work plans demonstrating its actions result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-005

Project Type: Operating Capacity

Project Name: Nestucca-Neskowin Watershed Council

Applicant: Nestucca-Neskowin WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Nestucca-Neskowin Watersheds Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans which result in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence was demonstrated through the council's work plans resulting in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-006

Project Type: Operating Capacity

Project Name: Siuslaw Watershed Council

Applicant: Siuslaw WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Siuslaw Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality - altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description for the council's executive director on file, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence demonstrated through the council's work plans whereby its actions result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-007

Project Type: Operating Capacity

Project Name: Tillamook Bay Watershed Council

Applicant: Tillamook Bay WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Tillamook Bay Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description for the council's coordinator on file, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans demonstrating its actions result in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans and result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-008

Project Type: Operating Capacity

Project Name: Applegate Partnership & WC

Applicant: Applegate Partnership & WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Applegate Partnership & WC. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, physical habitat quality - altered quality of physical habitat, and water quality - altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator, and

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence demonstrated through the council's work plans whereby its actions result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-010

Project Type: Operating Capacity

Project Name: Coos Watershed Association

Applicant: Coos WA

Application Description: This project seeks to fund a Watershed Council Coordinator for the Coos Watershed Association. Council identified watershed limiting factors include habitat access - impaired access to habitat, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality - altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description for the council's executive director on file, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans which result in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence demonstrated through the council's work plans resulting in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications

Application No.: 216-011

Project Type: Operating Capacity

Project Name: Coquille Watershed Association

Applicant: Coquille WA

Application Description: This project seeks to fund a Watershed Council Coordinator for the Coquille Watershed Association. Council identified watershed limiting factors include hydrograph/water quantity - altered hydrology, knowledge gaps - lack of Information, physical habitat quality - altered quality of physical habitat, water Quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director position, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans which result in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence demonstrated through the council's work plans resulting in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-012

Project Type: Operating Capacity

Project Name: Illinois Valley Watershed Council

Applicant: Illinois Valley WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Illinois Valley Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws or charter and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective management. Lack of effective management was demonstrated through:

- It was unclear staff how the council coordinator tracked time between council and SWCD tasks.
- It was unclear how the council coordinator is supervised by the watershed council.

Merit Criterion #3: Progress in Planning

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The council work plans and application questions did not demonstrate it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in community engagement for watershed restoration purposes. Lack of progress was demonstrated through:

- The council work plans and application questions did not demonstrate the council, separate from the SWCD, works to actively engage its watershed stakeholders for watershed restoration purposes.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Reduced base funding

Staff Recommended Award

\$88,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-014

Project Type: Operating Capacity

Project Name: Lower Rogue Watershed Council

Applicant: Lower Rogue WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Lower Rogue Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description for the council's coordinator on file, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-016

Project Type: Operating Capacity

Project Name: South Coast Coordinating WC

Applicant: South Coast WC

Application Description: This project seeks to fund one Watershed Council Coordinator for the South Coast Coordinating Watershed Council, which coordinates the work of seven sub-councils or working groups (Winchuck, Chetco, Pistol/Hunter, Euchre Creek, Port Orford, Elk/Sixes, Floras/New River). Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities. The council having on file a set of contractor deliverables for the council's coordinator.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding plus umbrella funding: meet all merit criteria

Staff Recommended Award

\$ 123,508.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-017

Project Type: Operating Capacity

Project Name: Tenmile Lakes' Partnership

Applicant: Tenmile Lakes Basin Part.

Application Description: This project seeks to fund a Watershed Council Coordinator for the Tenmile Lakeside Basin Partnership. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities; having, through the City of Lakeside, the council's fiscal sponsor, a position description on file for the council's coordinator; and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-018

Project Type: Operating Capacity

Project Name: Partnership for the Umpqua Rivers

Applicant: Partnership for the Umpqua Rivers

Application Description: This project seeks to fund a Watershed Council Coordinator for the Partnership for the Umpqua Rivers Watershed Council identified watershed limiting factors include habitat access - impaired access to habitat, physical habitat quality - altered quality of physical habitat, water quality - altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding plus umbrella funding: meet all merit criteria

Staff Recommended Award

\$116,892.00

Oregon Watershed Enhancement Board 2015-2017 Council Capacity Grant Evaluation for March 2, 2015 Applications

Application No.: 216-019

Project Type: Operating Capacity

Project Name: Rogue River Watershed Council

Applicant: Rogue River WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Rogue River Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found during the Initial Merit Evaluation, the newly merged council did not demonstrate effective management. Lack of effective management was demonstrated through:

- It was unclear to OWEB staff how the newly merged watershed council would manage its executive director and other staff.

However, during the Secondary Review, OWEB staff found the council to demonstrate effective management through the implementation of appropriate policies and procedures to manage both the executive director and other council staff.

Merit Criterion #3: Progress in Planning

OWEB staff found during the Initial Merit Evaluation, the newly merged council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The newly merged council work plans and application questions did not demonstrate the council had a process in place to engage watershed stakeholders to plan and prioritize the work of the council.

However, during the Secondary Review, OWEB staff found the council to demonstrate progress in planning through beginning development of a strategic plan and developing a timeline for the development of an action plan.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Does not agree with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-020

Project Type: Operating Capacity

Project Name: Seven Basins Watershed Council

Applicant: Seven Basins WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Seven Basins Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Merit Criteria #1: Effective Governance

OWEB staff found the council did not demonstrate effective governance. Lack of effective governance was demonstrated through:

- Unclear governance structure between the council officers and the contracted council coordinator. It is unclear who drives the work of the council.
- The council work plans, application questions, and interview did not demonstrate the council had a mix of interested and affected persons on the board or is actively working to recruit new board members.
- The council work plans, application questions, and interview did not demonstrate the council regularly evaluates and takes action to improve the organization.

Merit Criterion #2: Effective Management

OWEB staff found the council did not demonstrate effective management. Lack of effective management was demonstrated through:

- The council did not demonstrate effective management of the contracted council coordinator due to OWEB grant reports being continuously late and the contracted council coordinator and board chair did not reply to OWEB's requests for additional information in a timely manner.

Merit Criterion #3: Progress in Planning

OWEB staff found the council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The council work plans, application questions, and interview did not demonstrate it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council. The current planning processes the council is participating in are not driven by the council board and do not seem to align with the council's future restoration goals and priorities as described by the council.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council did not demonstrate progress in on-the-ground watershed restoration. Lack of progress was demonstrated through:

- The council work plans, application questions, and interview did not demonstrate the council either implements or partners to implement on-the-ground watershed restoration projects.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence demonstrated through the council's work plans demonstrating its actions result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Do Not Fund

Staff Recommended Award

\$0.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-021

Project Type: Operating Capacity

Project Name: Elk Creek Watershed Council

Applicant: Elk Creek WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Elk Creek Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective governance. Lack of effective governance was demonstrated through:

- The council work plans and application questions did not demonstrate it had a mix of interested and affected persons on the board.
- The council work plans and application questions did not demonstrate it operates as an open and inclusive organization including inviting the public to council meetings by publishing its meeting schedule in advance of meetings in a manner that provides adequate notice to the general public.

Conversely, during the Secondary Review, OWEB staff found the council to demonstrate effective governance by demonstrating the council has a mix of interested and affected persons on the board. However, OWEB staff did not find the council to adequately publishing its meeting schedule in advance of meetings in a manner that provides adequate notice to the general public.

Merit Criterion #2: Effective Management

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective management. Lack of effective management was demonstrated through:

- Unclear management and oversight of the council coordinator.

However, during the Secondary Review, OWEB staff found the council to demonstrate progress toward effective management by be taking measures to better manage the work of the council and council coordinator, including hiring some part-time additional staff.

Merit Criterion #3: Progress in Planning

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The council work plans, application questions, and interview did not demonstrate it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in community engagement for watershed restoration purposes. Lack of progress was demonstrated through:

- The council work plans, application questions, and interview did not demonstrate the council works to actively engage its watershed stakeholders for watershed restoration purposes.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Reduced base funding

Staff Recommended Award

\$88,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-022

Project Type: Operating Capacity

Project Name: Calapooia Watershed Council

Applicant: Calapooia WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Calapooia Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality - altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description for the council's executive director on file, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-023

Project Type: Operating Capacity

Project Name: Clackamas River Basin Council

Applicant: Clackamas River Basin Council

Application Description: This project seeks to fund a Watershed Council Coordinator for the Clackamas River Basin Council which. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-024

Project Type: Operating Capacity

Project Name: Coast Fork Willamette WC

Applicant: Coast Fork Willamette WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Coast Fork Willamette Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality - altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description for the council's coordinator on file, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-025

Project Type: Operating Capacity

Project Name: Columbia Slough Watershed Council

Applicant: Columbia Slough WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Columbia Slough Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics..

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-026

Project Type: Operating Capacity

Project Name: Johnson Creek Watershed Council

Applicant: Johnson Creek WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Johnson Creek Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality - altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-027

Project Type: Operating Capacity

Project Name: Long Tom Watershed Council

Applicant: Long Tom WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Long Tom Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description for the council's executive director on file, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-028

Project Type: Operating Capacity

Project Name: Marys River Watershed Council

Applicant: Marys River WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Marys River Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description for the council's executive director on file, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-029

Project Type: Operating Capacity

Project Name: Middle Fork Willamette WC

Applicant: Middle Fork Willamette WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Middle Fork Willamette Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description for the council's executive director on file, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-030

Project Type: Operating Capacity

Project Name: North Santiam Watershed Council

Applicant: North Santiam WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the North Santiam Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having, through the council's fiscal sponsor, a position description for the council's coordinator and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-032

Project Type: Operating Capacity

Project Name: Rickreall & Glenn-Gibson Cr. WCs

Applicant: Rickreall & Glenn-Gibson WCs

Application Description: This project seeks to fund Watershed Council Coordinators for the Rickreall and Glenn-Gibson watershed councils. The collective council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found during the Initial Merit Evaluation the Rickreall and Glenn Gibson watershed councils did not demonstrate effective governance. Lack of effective governance was demonstrated through:

- Neither council demonstrated it had a mix of interested and affected persons on the board.

However, during the Secondary Review, OWEB staff found the Rickreall watershed council to demonstrate effective governance by actively recruiting new board members and working toward having a mix of interested and affected persons on the board. The Glenn-Gibson watershed council also demonstrated effective governance by working, though passively, on council member recruitment.

Merit Criterion #2: Effective Management

OWEB staff found during the Initial Merit Evaluation the Rickreall and Glenn Gibson watershed councils did not demonstrate effective management. Lack of effective management was demonstrated through:

- Unclear management and oversight of the Rickreall and Glenn-Gibson council coordinators, especially considering the limited amount of paid staff time available to each council under the shared capacity grant.
- Unclear management and sharing of the current joint Council Support grant.

Merit Criterion #3: Progress in Planning

OWEB staff found during the Initial Merit Evaluation the Rickreall and Glenn Gibson watershed councils did not demonstrate progress in planning. Lack of progress was demonstrated through:

- Neither council demonstrated through work plans, application questions, and the interview council, that it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the Rickreall and Glenn Gibson watershed councils did not demonstrate progress in on-the-ground watershed restoration. Lack of progress was demonstrated through:

- The councils' work plans did not demonstrate either council implements or partners to implement on-the-ground watershed restoration projects.

However, during the Secondary Review, OWEB staff found the Rickreall and Glenn Gibson watershed councils to demonstrate progress in on-the-ground restoration by demonstrating each council is implementing some on-the-ground restoration projects.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the Rickreall and Glenn Gibson watershed councils to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the work plans of each council resulting in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation

Staff Recommendation to the Board

Reduced base funding

Staff Recommended Award

\$88,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-034

Project Type: Operating Capacity

Project Name: Sandy River Basin Watershed Council

Applicant: Sandy River Basin WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Sandy River Basin Watershed Council. Council identified watershed limiting factors include knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-035

Project Type: Operating Capacity

Project Name: Scappoose Bay Watershed Council

Applicant: Scappoose Bay WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Scappoose Bay Watershed Council which. Council identified watershed limiting factors include habitat access - impaired access to habitat, physical habitat quality - altered quality of physical habitat, water quality - altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-036

Project Type: Operating Capacity

Project Name: South Santiam Watershed Council

Applicant: South Santiam WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the South Santiam Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council did not demonstrate effective governance. Lack of effective governance was demonstrated through:

- The council did not complete a self-evaluation within the 2013-2015 biennium.
- The council has not held officer elections since 2008.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Reduced base funding

Staff Recommended Award

\$88,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-037

Project Type: Operating Capacity

Project Name: Tualatin River Watershed Council

Applicant: Tualatin River WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Tualatin River Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the coordinator, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-038

Project Type: Operating Capacity

Project Name: McKenzie River Watershed Council

Applicant: McKenzie River WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the McKenzie River Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective charter and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-039

Project Type: Operating Capacity

Project Name: Greater Yamhill Watershed Council

Applicant: Greater Yamhill WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Greater Yamhill Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality - altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-040

Project Type: Operating Capacity

Project Name: Klamath Watershed Partnership

Applicant: Klamath WP

Application Description: This project seeks to fund a Watershed Council Coordinator for the Klamath Watershed Partnership. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plans and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plans and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding plus umbrella funding: meet all merit criteria

Staff Recommended Award

\$ 116,8902.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-041

Project Type: Operating Capacity

Project Name: Crooked River Watershed Council

Applicant: Crooked River WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Crooked River Watershed Council . Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, physical habitat quality - altered quality of physical habitat.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding plus umbrella funding: meet all merit criteria

Staff Recommended Award

\$ 116,892.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-042

Project Type: Operating Capacity

Project Name: Gilliam-East John Day WC

Applicant: Gilliam-East John Day WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Gilliam-East John Day Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities. The council, through the SWCD, having on file a position description for the council's coordinator and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the newly adopted action plan and 2013 strategic plan to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$ 110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-043

Project Type: Operating Capacity

Project Name: Hood River Watershed Group

Applicant: Hood River WG

Application Description: This project seeks to fund a Watershed Council Coordinator for the Hood River Watershed Group. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities. The council, through the SWCD, having on file a position description for the council's coordinator and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-044

Project Type: Operating Capacity

Project Name: Middle Deschutes Watershed Councils

Applicant: Middle Deschutes WCs

Application Description: This project seeks to fund a Watershed Council Coordinator for the Middle Deschutes Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the newly reformed council to demonstrate effective governance. Evidence is demonstrated through the council having adopted during the last year bylaws policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective management. This is because the newly reformed council has yet to hire a council coordinator. The secondary review panel encourage to the council board and SWCD to work together to develop a plan and MOU for staff management and supervision.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council recently completing a new council action plan. The Secondary Review panel encourages the council to use the new action plan to identify and implement on-the-ground watershed restoration and community engagement projects.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in on-the-ground restoration. Lack of progress was demonstrated through:

- The council is newly reformed and was not able to demonstrate progress toward implementation of on-the-ground restoration projects.

However, during the Secondary Review, OWEB staff found the council to be headed in the right direction and should be able to demonstrate progress in the future.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in community engagement for watershed restoration purposes. Lack of progress was demonstrated through:

- The council is newly reformed and was not able to demonstrate progress toward implementation of community engagement for watershed restoration purposes.

However, during the Secondary Review, OWEB staff found the council to be headed in the right direction and should be able to demonstrate progress in the future.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Reduced base funding

Staff Recommended Award

\$88,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-045

Project Type: Operating Capacity

Project Name: Lake County Umbrella WC

Applicant: Lake County Umbrella WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Lake County Umbrella Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities. The council having on file a set of contractor deliverables for the council's coordinator.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding plus umbrella funding: meet all merit criteria

Staff Recommended Award

\$ 126,816.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-046

Project Type: Operating Capacity

Project Name: Sherman County Area WC

Applicant: Sherman County Area WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Sherman County Area Watersheds Council. Council identified watershed limiting include physical habitat quality - altered quality of physical habitat.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective governance. Lack of effective governance was demonstrated through:

- The governing body failed to meet at least four times a year during the last biennium.
- The council did not provide information on the date of the last council officer elections.
- The council did not demonstrate how they advertise council meetings to the general public.

However, during the Secondary Review, OWEB staff found the council to demonstrate effective governance through the implementation of new governance measures, including holding regular meetings and officer elections, which demonstrated the council is making progress toward effective governance.

Merit Criterion #2: Effective Management

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective management. Lack of effective management was demonstrated through:

- Unclear coordinator roles and responsibilities for the council coordinator between council and SWCD work.
- Unclear staff supervision and personnel policies.

However, during the Secondary Review, OWEB staff found the council to demonstrate effective management through the implementation of new management measures, including appointing a council supervisor for the coordinator from the council board, which demonstrated the council is making working toward effective management.

Merit Criterion #3: Progress in Planning

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The council work plans, application questions, and interview did not demonstrate it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in on-the-ground watershed restoration. Lack of progress was demonstrated through:

- The council work plans and application questions did not clearly describe the council specific deliverables associated with each restoration project category.

However, during the Secondary Review, OWEB staff found the council to demonstrate progress in on-the-ground restoration by being a key partner with the SWCD in implementing on-the-ground restoration projects in the watershed. However, staff also found the council needs to improve its ability to track its accomplishments separate from those of the SWCD.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in community engagement for watershed restoration purposes. Lack of progress was demonstrated through:

- The council work plans and application questions did not demonstrate the council works to actively engage its watershed stakeholders for watershed restoration purposes.

However, during the Secondary Review, OWEB staff found the council to demonstrate progress in community engagement for the purposes of watershed restoration by working on and taking the lead on community engagement projects.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Reduced base funding

Staff Recommended Award

\$88,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-047

Project Type: Operating Capacity

Project Name: Upper Deschutes Watershed Council

Applicant: Upper Deschutes WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Upper Deschutes Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-048

Project Type: Operating Capacity

Project Name: Wasco Area Watershed Councils

Applicant: Wasco Area WCs

Application Description: This project seeks to fund a Watershed Council Coordinator for the Wasco Area Watershed Councils. Council identified watershed limiting factors include habitat access -impaired access to habitat, hydrograph/water quantity - altered hydrology, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities. The council, through the SWCD, having on file a position description for the council's coordinator and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-049

Project Type: Operating Capacity

Project Name: Grande Ronde Model Watershed
Watershed

Applicant: Grande Ronde Model

Application Description: This project seeks to fund a Watershed Council Coordinator for the Grande Ronde Model Watershed. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding plus umbrella funding: meet all merit criteria

Staff Recommended Award

\$ 116,892.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-050

Project Type: Operating Capacity

Project Name: Harney County Watershed Council

Applicant: Harney County WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Harney County Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective governance. Lack of effective governance was demonstrated through:

- The council did not demonstrate it had a diverse board and met on a regular basis.

However, during the Secondary Review, OWEB staff found the council to demonstrate effective governance by demonstrating the council has a diverse representation from the watershed, is actively recruiting new members and is meeting on a regular basis.

Merit Criterion #2: Effective Management

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective management. Lack of effective management was demonstrated through:

- The council board did not demonstrate effective management of council staff. The time of the council coordinator is spread very thin across many project areas resulting in unclear outcomes.

Merit Criterion #3: Progress in Planning

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The council work plans, application questions and interview did not demonstrate it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council. The council should use its recently completed action plan to prioritize its work and engage stakeholders.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in on-the-ground restoration. Lack of progress was demonstrated through:

- The council's work plans did not demonstrate the council is making progress on on-the-ground watershed restoration projects.

However, during the Secondary Review, OWEB staff found the council to be making limited progress toward implementation of on-the-ground restoration projects. The reviewers recommend the council work toward continued project implementation and not focus solely on groundwater monitoring and outreach.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Reduced base funding

Staff Recommended Award

\$88,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-051

Project Type: Operating Capacity

Project Name: Malheur Watershed Council

Applicant: Malheur WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Malheur Watershed Council. Council identified watershed limiting factors include hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective governance. Lack of effective governance was demonstrated through:

- The council did not demonstrate it had a mix of interested and affected persons on the board or is actively working to recruit new board members.
- The council did not demonstrate it regularly evaluates and takes action to improve the organization.

Merit Criterion #2: Effective Management

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective management. Lack of effective management was demonstrated through:

- The council did not demonstrate effective management of staff due to OWEB grant reports being continuously late and the council staff were continually late in response to OWEB's requests for additional information.

Merit Criterion #3: Progress in Planning

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The council work plans and application questions did not demonstrate it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council.

However, during the Secondary Review, OWEB staff found the council to demonstrate progress in planning by using its newly adopted action plan to engage stakeholders and plan and prioritize the work of the council.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in community engagement for watershed restoration purposes. Lack of progress was demonstrated through:

- The council work plans, application questions and interview did not demonstrate the council works actively to engage its watershed stakeholders for watershed restoration purposes.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Reduced base funding

Staff Recommended Award

\$88,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-052

Project Type: Operating Capacity

Project Name: North Fork John Day Watershed Council

Applicant: North Fork John Day WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the North Fork John Day Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as action plans, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plans, and strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-053

Project Type: Operating Capacity

Project Name: Umatilla Basin Watershed Council

Applicant: Umatilla Basin WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Umatilla Basin Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-054

Project Type: Operating Capacity

Project Name: Walla Walla Basin Watershed Council

Applicant: Walla Walla Basin WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Walla Walla Basin Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's executive director, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plans, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plans, and strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not Applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-055

Project Type: Operating Capacity

Project Name: Mid John Day-Bridge Creek WC

Applicant: Mid John Day-Bridge Creek WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Mid John Day-Bridge Creek Watershed Council. Council identified watershed limiting factors include habitat access -impaired access to habitat, hydrograph/water quantity - altered hydrology, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities. The council, through the SWCD, having on file a position description for the council's coordinator and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The council work plans and application questions did not demonstrate it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council.

However, during the Secondary Review, OWEB staff found the council to demonstrate progress in planning by using its newly adopted action plan and other tools to plan and prioritize the work of the council.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in on-the-ground watershed restoration. Lack of progress was demonstrated through:

- The council's work plans did not demonstrate the council either implements or partners to implement on-the-ground watershed restoration projects.

However, during the Secondary Review, OWEB staff found the council to demonstrate progress in on-the-ground restoration through working on and partnering on on-the-ground restoration projects.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Does not agree with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-056

Project Type: Operating Capacity

Project Name: Owyhee Watershed Council

Applicant: Owyhee WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Owyhee Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the newly completed action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding plus umbrella funding: meet all merit criteria

Staff Recommended Award

\$ 116,892.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-057

Project Type: Operating Capacity

Project Name: Powder Basin Watershed Council

Applicant: Powder Basin WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Powder Basin Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding plus umbrella funding: meet all merit criteria

Staff Recommended Award

\$ 116,892.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-058

Project Type: Operating Capacity

Project Name: Luckiamute Watershed Council

Applicant: Luckiamute WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Luckiamute Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan, action plan, and/or strategic plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-059

Project Type: Operating Capacity

Project Name: Greater Oregon City Watershed Council

Applicant: Greater Oregon City WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Greater Oregon City Watershed Council. Council identified watershed limiting factors include habitat access - Impaired access to habitat; hydrograph/water quantity - altered hydrology; knowledge gaps - lack of information; physical habitat quality - altered quality of physical habitat; water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having adopted during the last year bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The council work plans, application questions and interview did not demonstrate it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in on-the-ground restoration. Lack of progress was demonstrated through:

- The council was not funded by an OWEB Council Support grant from 2011-2015 and was not able to demonstrate progress toward implementation of on-the-ground restoration projects.

However, during the Secondary Review, OWEB staff found the council to be headed in the right direction and should be able to demonstrate progress in the future.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in community engagement for watershed restoration purposes. Lack of progress was demonstrated through:

- The council was not funded by an OWEB Council Support grant from 2011-2015 and was not able to demonstrate progress in community engagement for watershed restoration purposes.

However, during the Secondary Review, OWEB staff found the council to be headed in the right direction and should be able to demonstrate progress in the future.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Reduced base funding

Staff Recommended Award

\$88,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-060

Project Type: Operating Capacity

Project Name: Smith River Watershed Council

Applicant: Smith River WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Smith River Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective governance. Lack of effective governance was demonstrated through:

- The council did not demonstrate it had a mix of interested and affected persons on the board.
- The council did not demonstrate it operates as an open and inclusive organization including inviting the public to council meetings by publishing its meeting schedule in advance of meetings in a manner that provides adequate notice to the general public.

However, during the Secondary Review, OWEB staff found the council to have a mix of interested and affected persons on the board. Additionally, OWEB staff did not find the council to adequately be publishing its meeting schedule in advance of meetings in a manner that provides adequate notice to the general public.

Merit Criterion #2: Effective Management

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective management. Lack of effective management was demonstrated through:

- Unclear management and oversight of the council coordinator.

However, during the Secondary Review, OWEB staff found the council to demonstrate effective management by taking measures to better manage the work of the council and council coordinator, including recently updating the council's personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The council work plans and application questions did not demonstrate it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council.

However, during the Secondary Review, OWEB staff found the council to demonstrate progress in planning by engaging with a Technical Advisory group to help plan and prioritize the work of the council.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in community engagement for watershed restoration purposes. Lack of progress was demonstrated through:

- The council's work plans did not demonstrate the council works to actively engage its watershed stakeholders for watershed restoration purposes.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Reduced base funding

Staff Recommended Award

\$88,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-061

Project Type: Operating Capacity

Project Name: Lower Nehalem Watershed Council

Applicant: Lower Nehalem WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Lower Nehalem Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-062

Project Type: Operating Capacity

Project Name: Necanicum Watershed Council

Applicant: Necanicum WC

Application Description: This project seeks to fund a Watershed Council Coordinator for the Necanicum Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality - altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

**Oregon Watershed Enhancement Board
2015-2017 Council Capacity Grant
Evaluation for March 2, 2015 Applications**

Application No.: 216-063

Project Type: Operating Capacity

Project Name: Upper South Fork John Day WC
WC

Applicant: Upper South Fork John Day

Application Description: This project seeks to fund a Watershed Council Coordinator for the Upper South Fork John Day Watershed Council. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found the council to demonstrate effective governance. Evidence is demonstrated through the council having effective bylaws and policies and procedures, and following them. The council includes a balance of interested and affected persons from the watershed on its governing body, meets at least four times a year and takes action to improve its organization including operations and policies.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having, through the council's fiscal sponsor, a position description for the council's coordinator and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found the council to demonstrate progress in planning. Evidence is demonstrated through the council using its planning documents, such as the action plan, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its work plan and action plan and makes adjustments to respond to challenges and opportunities.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Meets all merit criteria and should be recommended for the highest funding level.

Secondary Review Panel Recommendation

Not applicable

Staff Recommendation to the Board

Full base funding: meet all merit criteria

Staff Recommended Award

\$110,275.00

Oregon Watershed Enhancement Board

2015-2017 Council Capacity Grant

Evaluation for March 2, 2015 Applications

Application No.: 216-064

Project Type: Operating Capacity

Project Name: Molalla River Watch, Inc.

Applicant: Molalla River Watch Inc

Application Description: This project seeks to fund a Watershed Council Coordinator for the Molalla River Watch. Council identified watershed limiting factors include habitat access - impaired access to habitat, hydrograph/water quantity - altered hydrology, knowledge gaps - lack of information, physical habitat quality - altered quality of physical habitat, water quality -altered physical, chemical, or biological water characteristics.

REVIEW PROCESS

Evaluation

Merit Criteria #1: Effective Governance

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate effective governance. Lack of effective governance was demonstrated through:

- The council did not demonstrate it operates as an open and inclusive organization including inviting the public to council meetings by publishing its meeting schedule in advance of meetings in a manner that provides adequate notice to the general public.

However, during the Secondary Review, OWEB staff found the council demonstrate effective governance through meeting on a regular basis and by publishing its meeting schedule in advance of meetings in a manner that provides adequate notice to the general public.

Merit Criterion #2: Effective Management

OWEB staff found the council to demonstrate effective management. Evidence is demonstrated through the council having and following council governing body and officer roles and responsibilities, having a position description on file for the council's coordinator, and having and following personnel policies.

Merit Criterion #3: Progress in Planning

OWEB staff found during the Initial Merit Evaluation the council did not demonstrate progress in planning. Lack of progress was demonstrated through:

- The council work plans, application questions and interview did not demonstrate it used a planning process, such as engaging watershed stakeholders to plan and prioritize the work of the council.

Merit Criterion #4: Progress in On-the-Ground Watershed Restoration

OWEB staff found the council to demonstrate progress in on-the-ground watershed restoration. Evidence of progress is demonstrated through the council's work plans resulting in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.

Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes

OWEB staff found the council to demonstrate progress in community engagement for watershed restoration purposes. Evidence is demonstrated through the council's work plans which result in progress in completing specific community engagement objectives that address limiting factors identified in the 2-year work plan.

Initial Merit Evaluation Panel Recommendation

Questions and concerns were raised and the council might not meet all merit criteria. Additional discussion is needed.

Secondary Review Panel Recommendation

Agrees with the Initial Merit Evaluation Panel Recommendation.

Staff Recommendation to the Board

Reduced base funding

Staff Recommended Award

\$88,275.00



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Courtney Shaff, Capacity Coordinator
SUBJECT: **Agenda Item L: Building Capacity Grant – Shared Services Model
July 28-29, 2015 OWEB Board Meeting**

I. Introduction

This staff report provides an introduction to the Board to an upcoming presentation by Cascade Pacific Resource Conservation & Development (Cascade Pacific). Cascade Pacific will report to the Board on the status of a shared services model developed as a result of an OWEB Building Capacity grant.

II. Background

The Board's 2013-2015 Spending Plan allocated \$200,000 for "Building Capacity/Watershed Council Transition" grants. The Board delegated authority to the Executive Director to award grants to support watershed councils' transition to new organizational or operating structures to improve capacity for watershed restoration and community engagement outcomes. OWEB announced this new grant offering in July 2013. Two grants were awarded, one for the merger of four Rogue Basin watershed councils (\$83,824) and one to Cascade Pacific (\$55,353) to develop a shared services model.

III. Shared Services Update

This Building Capacity Grant awarded to Cascade Pacific, the Luckiamute Watershed Council and the North Santiam Watershed Council was designed to expand the availability and improve the quality of Fiscal Sponsorship and Employer of Record services for watershed councils in Oregon.

OWEB funding was used to hire a consultant to assess watershed councils' needs, to identify opportunities for improvement in Cascade Pacific's current services and to develop a new model of service delivery. The consultant and project partners worked together to develop an expanded suite of services, identified watershed councils that were most likely to benefit from working with an external service provider and drafted marketing materials (Attachment A) to promote the availability of those services.

Cascade Pacific will update the Board on the current status of the shared services model. This update will include information on which watershed councils are currently using the services, lessons learned from the grant, and next steps.

IV. Recommendation

This is an information item only, no action is required.

Attachments

- A. Fiscal Services Brochure



Cascade Pacific

Resource Conservation & Development

Fiscal Services

Our Mission

To work with citizens to enhance their communities through social, economic, educational and environmental improvements

Who we are

We are a non-profit organization that provides fiscal and administrative services to groups and organizations.



We fill a valuable fiscal role that allows these groups to focus on expanding their capacity, attract funding, and accomplish their work on the ground.

What we do

We host, facilitate and manage programs, projects and partnerships that work toward improving our community.

Fiscal Sponsorship	Food & Farm	Forest Stewardship	Western Invasive Network		
<ul style="list-style-type: none"> • Watershed Councils • Willamette SIP Collaborative Planning Process • Upper Willamette CREP • EWEB Voluntary Incentives Program 	<ul style="list-style-type: none"> • Berggren Demonstration Farm • CSA Boxes, Educational Programs & Internships • South Willamette Farm Corps • Local Food Connection 	<ul style="list-style-type: none"> • Siuslaw Collaborative Watershed Restoration on the Siuslaw National Forest and surrounding lands 	<ul style="list-style-type: none"> • Cooperative Weed Management Areas (CWMA) • Oregon Invasives Hotline • iMap Invasives Data Base • Invasive Species Workshops 		

Cascade Pacific

Resource Conservation & Development

Our Background

Cascade Pacific has a long history of supporting local communities by serving as a Fiscal Sponsor for resource conservation, habitat restoration and community development projects around the state.



As a Fiscal Sponsor, Cascade Pacific provides financial and human resource management services to groups, organizations and coalitions that are engaged in social, economic, educational and environmental activities that align with our mission.

What is Fiscal Sponsorship?

Fiscal Sponsorship is when a tax-exempt nonprofit agrees to partner with or “sponsor” another project or organization that may not have tax-exempt status so the sponsored project can receive donations and grants. The sponsored project must be engaged in activities that would qualify as 501c3 tax-exempt activities.

Fiscal Sponsorship is a fee-based arrangement that enables the sponsored organization to focus on their work “on the ground”, while contracting with an experienced sponsor such as Cascade Pacific RC&D to provide specific financial management tasks.

Why choose Fiscal Sponsorship?

We can save you time and money, as the process to obtain 501c3 status and operate an organization can be time consuming and expensive. Being fiscally sponsored can help new organizations or partnerships that need to scale up quickly or small organizations that do not have the capacity to perform fiscal administration or human resource functions.

A fiscal sponsor can bring different skill sets, ensure accurate reporting, and relieve the sponsored organization from liability and the complexity of personnel management. All of these allow existing staff to focus on the activities that they do best.

CPRCD can assist multiple organizations working together who may want one provider to provide fiscal administration for the partnership. Fiscal sponsorship is an efficient, economic way to reduce the cost of running an organization and still maintain the integrity of the organization’s purpose.

Cascade Pacific

Resource Conservation & Development

Fiscal Services

Cascade Pacific RC&D offers a suite of services that give our partnering client organizations the ability to focus on expanding their capacity. We provide fiscal administration and nonprofit management expertise.

We're here to help you focus on what you do best.

Core Fiscal Administration Services

The basic fiscal sponsorship fee includes a one-time set up fee of \$250, plus 10% of each grant for which we are the fiscal administrator. These fees include the services listed below.

The fiscal fee charged is based on the volume of financial transactions, and is applied to a client's account monthly.

- Monthly reports on income and expenses: including status of bills paid.
- Monthly reports on grant balances
- Custom reporting available (e.g. Budget to Actuals, Balance Sheet, etc.)
- Anytime on-line access to financial reports (read-only)
- Receive, manage & disburse grant funds
- Weekly check writing
- Arrange on-line bill pay/electronic fund transfers
- Prepare/submit annual tax records including annual audit
- Retain financial records at least 7 years after closure of project
- Review grant application budgets prior to submission
- Provide contract templates
- Develop and execute contracts
- On-line access to forms, documents & procedures
- Receive & document donations and other non-grant income/match funds
- Generate donor thank you letters
- Bi-annual program review meetings with Fiscal Manager or Fiscal Coordinator

Please see our FAQ's for a list of frequently asked questions.

For those clients who need more assistance we offer additional (add-on) Fiscal Services and Employer of Record Services as described on the following pages.

Cascade Pacific

Resource Conservation & Development

Additional Fiscal Services (fee-based)

Our add-on Fiscal Services offer clients additional support on an as needed basis. Listed below are some basic add-on services; we are open to helping you with other related issues that may be significant to your organization.

- Financial training for Board of Directors
- Historical records review
- Project problem solving
- Contract negotiation & review
- Job posting recruitment and selection

For more information regarding the fee structure and the customized services we offer please contact Kirk Shimeall, Executive Director at kirk@cascadepacific.org or 541 248-3094

Employer of Record Services

The Employer of Record Services are additional services that we offer our Fiscal clients. There is a one-time set up fee of \$1000 plus \$500 per employee. After the first year the annual fee is \$500 plus \$500 per employee.

The services listed below are included with the above fee.

- Post job openings
- Assist with job offers and negotiate terms of employment
- Payroll management
- Payroll taxes
- Issue monthly paychecks
- Workers compensation insurance
- Access to health insurance
- Access to retirement plan
- Accrued leave liability
- On-line access to forms, documents & procedures
- Prepare employment tax records
- Bi-annual program review meetings with Fiscal Manager and/or Fiscal Coordinator
- Assist with legal issues related to employment when needed

Please see our FAQ's for Employer of Record for a list of frequently asked questions.

Cascade Pacific

Resource Conservation & Development

Benefits of Fiscal Services

As a Fiscal Sponsor we can help you...

Focus on what you do best.

As your Fiscal Sponsor, Cascade Pacific tracks your income and expenses, writes checks and monitors financial reporting requirements for each grant you have. That frees up staff and volunteer time



Streamline your financial record keeping.

We file tax returns, provide contract templates, generate donor thank you letters and help you code expenses to different funding sources. Need to check a grant balance? No worries—our system has been customized so you can view your records in a secure, on-line environment at any time.

Improve your grant reporting.

Some organizations without dedicated financial staff struggle with navigating complex funder reporting requirements. Cascade Pacific has experience managing grants from a wide range of environmental funders including the: Oregon Watershed Enhancement Board; U.S. Forest Service; Bonneville Power Administration; Oregon Community Foundation; National Fish & Wildlife Foundation; Spirit Mountain Foundation; Meyer Memorial Trust; and several others. We'll make sure your reporting is accurate and when the reporting requirements change, we'll help you understand what the changes mean for your project.

Rest assured that your money is being professionally managed through our customized financial software and will be included in Cascade Pacific's annual audit.

Your Board or Steering Committee retains control over your budgeting, financial decision-making and project design. Your financial records are based on budgets you develop and your instructions about which funding source to use for every expense. The reports we produce for you keep your leadership team or Board informed so they can provide oversight to your project.

Benefits of Employer of Record

As your Employer of Record we can help you...

Retain the staff you have.

Employees (as opposed to contractors) are more likely to stay in jobs where they receive benefits. By joining Cascade Pacific's staff, your employees are eligible to receive vacation, health benefits (for employees working 32 hours a week or more) and an employee-contribution retirement plan. Employee benefits are charged to your organization's grants.

Even better, we'll manage your payroll and benefits paperwork so your organization can focus on work in your community.

Find talented employees.

Cascade Pacific can provide templates for creating a job description, posting your job and conducting interviews. Once you've found the person you want, we'll negotiate the final hiring agreement for you and manage all the new employee paperwork. If you'd like us to play a more active role in advertising your position, we can do that as an add-on service for an hourly fee.

Protect your steering committee from liability.

We can manage your Worker's Compensation insurance. We can assist you in obtaining Directors and Officers insurance for your organization. We'll help you set up employee evaluations and if things get hard, we'll guide you through any disciplinary actions or terminations.



FAQ's

What is an Employer of Record?

An Employer of Record arrangement is when one organization serves as the employer for staff members who work for a sponsored project or organization. The sponsoring organization (Cascade Pacific) manages payroll, benefits, insurance and tax reporting while the sponsored organization's Board/Advisory Committee provides direction and guidance for the employees' work. This is an optional service available to Cascade Pacific's Fiscal Sponsorship clients.

Is there an additional fee for the Employer of Record package?

Yes. The Employer of Record Services are additional services that we offer our Fiscal clients. The initial one-time set up fee is \$1000 plus \$500 per employee. After the first year the annual fee is \$500 plus \$500 per employee.

What is included in that fee?

Cascade Pacific will issue paychecks and manage all employee benefits, insurance, payroll taxes and reporting. We can assist you with hiring new staff and provide a "home base" for your employees, who can call our office for support in navigating employment forms and benefits. When available, your staff may have access to other benefits, such as reduced-cost software through third-parties that provide products to nonprofit organizations.

Can Cascade Pacific be our Employer of Record without serving as our Fiscal Sponsor?

No. The Employer of Record package is an optional service available to our Fiscal Sponsorship clients.

Would our staff receive any employee benefits?

Yes. Health care and retirement benefits are direct costs that are billed independently to your grants or organization.

Who supervises our staff?

We know you have the expertise to guide your project, and we respect that. As the Employer of Record, Cascade Pacific manages the legal and administrative aspects of employment. Your board, steering committee or leadership team continues to set the agenda for staff members' work. We can provide guidance for hiring new staff and evaluating current employees and will collaborate with you to accomplish those tasks.

For more information please contact:

Kirk Shimeall, Executive Director, kirk@cascadepacific.org or 541 248-3094

FAQ's

What is Fiscal Sponsorship?

Fiscal Sponsorship is when a tax-exempt nonprofit agrees to partner with or "sponsor" another project or organization that may not have tax-exempt status so the sponsored project can receive donations and grants. The sponsored project must be engaged in activities that would qualify as 501c3 tax-exempt activities. Fiscal Sponsorship is a fee-based arrangement that enables the sponsored organization to focus on their work on the ground, while contracting with an experienced sponsor (Cascade Pacific) to provide specific financial management tasks.

How much does it cost?

The basic Fiscal Sponsorship fee is 10% of the grants in which we are the fiscal administrator, with a one-time set up fee of \$250. The actual dollar amount is based on the volume of financial transactions, and is charged to grants monthly. These fees can often be charged to grants as an administrative expense. Note that the fee for some individual grants may vary. Federal grants have a built in federally negotiated rate. Some other funders may have set rates for their grants as well. We'll talk through any variables before signing an agreement.

What's included in that fee?

Cascade Pacific will provide bookkeeping and other support services including: accounts receivable, accounts payable, financial reporting, check writing and donor acknowledgement letters. In addition, your records are included in our annual audit. You will continue to develop and monitor your project budgets, document project activities, write grant reports and provide information to Cascade Pacific about what bills are to be charged to each grant.

Cascade Pacific will review budgets for grant proposals and monitor financial reporting requirements to ensure the financial documents you submit with your grant reports meet funders' requirements. Based on our experience with a wide range of natural resource conservation projects, Cascade Pacific may also be able to recommend other service providers and funding opportunities.

How do our records get transferred to Cascade Pacific?

We'll work with the person who is currently managing your finances to transfer your budget, grant balances and other transactions into our system. This work is included in the one-time set up fee.

Our records are pretty disorganized. Can Cascade Pacific help?

We're happy to help. Cascade Pacific will do a basic assessment of your records as part of the set-up fee. If your records are not up to date, we can give you an estimate of what it would take to get your records ready to be transferred and can work with you to get your records up to date. This is an optional service that is billed on an hourly basis.

How do we access our records?

We use a secure, web-based accounting software called Financial Edge that has been customized for us. When you sign up you'll get a private access code so you can log in and view your records at any time. Each month we produce reports showing that month's activity and your current grant balances so your staff and steering committee can monitor your finances. We can also customize reports to your preferences.

Is there any technical support?

Our staff will provide an orientation to the software for 1-2 key financial people in your organization and show you how to access your records on line. We're available by phone and email to answer questions during our office hours. We are not able to provide hardware support.

Contact Kirk Shimeall, Executive Director: kirk@cascadepacific.org or 541 248-3094 for more information
31978 North Lake Creek Drive, Tangent, OR 97389 - 541 248-3094 - www.cascadepacific.org

APPROVED BY THE BOARD October 27, 2015

Oregon Watershed Enhancement Board

July 28, 2015

OWEB Board Meeting

Prineville, Oregon

Minutes

OWEB Members Present

Dan Thorndike
Eric Quaempts
Doug Krahmer.
Lisa Phipps
Morgan Rider
John Roberts
Bob Webber
Alan Henning
Mike Haske
Will Neuhauser
Kim Kratz
Cindy Deacon Williams
Stephen Brandt
Randy Labbe

OWEB Staff Present

Meta Loftsgaarden
Renee Davis
Dana Hicks
Eric Hartstein
Courtney Shaff
Brandi Elmer
Sue Greer
Kathy Leopold
Dan Roper
John Amoroso

Others Present

Bob Qualey
Rosemary Furfey
Ryan Gordon
Paul Siebert
Brad Chalfant
Marty Suter Gould
Chris Gannon
Clair Klock
Amanda Rich

A. Board Member Comments

Board Members provided comments from their respective areas and agencies.

C. Conflicts of Interest – Board Review of Guidelines

Eric Hartstein, Senior Policy Coordinator, lead the Board in a review of guidelines for public officials on conflicts of interest under Oregon Ethics law. This was an informational update to the Board. (see staff report for more information)

- Bob Webber asked what would happen to the quorum if enough Board members had to recuse themselves from voting; what affect would it have on the outcome of the final vote? Would they be counted into the quorum, if they are unable to vote?

Renee Davis, Deputy Director, addressed the question and stated that the OWEB Board manual describes different scenarios regarding this topic. She noted that staff would follow-up with an answer to the question.

- Lisa Phipps stated that she often points out specific items that may be under consideration by the Board that she has been involved with for transparency purposes. She also talked about the ability to vote on some of those types of items, depending on her level of involvement and association with them.

D. 2015-17 Spending Plan including Public Comment

Meta Loftsgaarden, Executive Director, provided background information on the proposed spending plan for the 2015-2017 biennium. She briefly reminded the Board how they had arrived at the two options in front of them for consideration. She provided the detail of each of the options that the Board had to decide upon, Option A and Option B are contained in Attachments B and C to the staff report for Agenda Item D.

Option A: Spending Plan including two years of Pacific Coastal Salmon Recovery Funding (PCSRF), compared to 2013-2015 Spending Plan; adjustments to the long term investment strategy categories would be as follows:

- Increase in Focused Investments of 5.65%
- Increase in Operating Capacity of 0.36%
- Decrease in Open Solicitation of 4%
- Decrease in Other of 1.89%

Option B: Spending Plan including two years of PCSRF, compared to 2013-2015 Spending Plan; adjustments to the long term investment strategy categories would be as follows:

- Increase in Focused Investments of 8%
- Increase in Operating Capacity of 0.36%
- Decrease in Open Solicitation of 6.52%
- Decrease in Other of 1.89%

Executive Director Loftsgaarden then referred the Board to Agenda Item D-1: Spending Plan Delegated Authority and reminded the Board that they would be delegating the funds within the Spending Plan according to their delegated authority as outlined in the staff report for Agenda Item D.

Public Comment:

- Brad Chalfant, Executive Director of Deschutes Land Trust, spoke to the Board about the importance of Land Acquisitions.

Meta Loftsgaarden, Executive Director, asked for the Board's consideration of Options A and B, which the Board discussed:

- Doug Krahmer commented on his concerns for the maximum amount possible to be allocated into Focused Investments in upcoming biennia and if enough funding would be available to allow new partnerships to rotate in.
- Dan Thorndike commented that both options are very feasible.
- Cindy Deacon Williams commented that she would like to see an increase in the Small Grant Program; she also supported Option B, which would enable one additional partnership to be funded.
- Will Neuhauser asked what the length of the proposed Focused Investment Partnerships is and if that would have an impact on the portfolio of investments made, and asked about the requirement for OWEB to spend all of the funding within those investment areas.
- Lisa Phipps commented on her support for Option A, and stated her concern that the Focused Investment Partnerships are a new process and this funding level would still allow for all those who are eligible to apply.
- Bob Webber commented on his support for Option A, a slower approach, and concern about how many new Focused Investment Partnerships could be added in 2017-2019.
- Stephen Brandt commented on the need for a long range plan for Focused Investments.
- Lisa Phipps commented on her support for the Small Grant Program and its importance.

- Alan Henning commented on his support for a cautious approach to the new Focused Investment Partnership process.
- Dan Thorndike spoke about the incremental differences between Options A and B and stated it is not an extreme difference.
- Kim Kratz commented on his support for Option B, due to the stability of the process and that other funders are also moving in the direction of focused investments.
- Morgan Rider commented on her support for Option A and stated that moving a little slower will allow for discretion on certain projects.
- Randy Labbe stated that the funding is a change on the margin, and signals what the Board already has stated regarding a gradual increase in Focused Investments. He noted that the Board has the discretion to adjust the amount that it funds.
- Mike Haske commented that although he is not a voting member, his preference is Option B, due to the direction of the Board historically.
- Cindy Deacon Williams stated her view that there are not extreme differences between Option A and Option B.
- Eric Quaempts stated OWEB has taken time to get to this point, and people are ready for the shift, hence his support for Option B.
- John Roberts stated his concerns with the funding levels, and that he likes Option B. However, the ultimate decision depends on if the Board wants to remain cautious or not.
- Doug Krahmer commented on the look at percentages and splits between Open Solicitation and Focused Investments and how over time this is shifting.
- Bob Webber commented on where the splits will be into the future, and how the Board wants to deal with them.
- Will Neuhauser commented that the Board should continue to increase funding gradually over time, and consider how new Focused Investment Partnerships will be rotated in.
- Kim Kratz noted what the impact to median Open Solicitation grants would be if Option B were selected.
- Randy Labbe asked if any research had been done to find out if the Small Grant Program could benefit from increases in available funding.

Dan Thorndike moved to set the following funding amounts for certain line items in the 2015-2017 Spending Plan:

- 1) \$600,000 for Outreach;
- 2) \$2.8 million for Small Grants; and
- 3) \$12.5 million for Operating Capacity which allows for a \$300,000 cost of living increase.

Seconded by Will Neuhauser. Motion passed unanimously.

Dan Thorndike moved that, wherever possible and appropriate, the Board provide additional funding to the following line items in the 2015-2017 Spending Plan, if additional funds become available:

- 1) Restoration,
- 2) Technical Assistance,

- 3) Outreach,
- 4) Monitoring, and
- 5) Land and Water Acquisitions.

Seconded by Morgan Rider. Motion passed unanimously.

Dan Thorndike moved to approve Option B in the Spending Plan in Attachment D of the staff report as an overall guide for reserving, awarding and passing through OWEB funds at the beginning of the 2015-2017 biennium, with specific direction to staff to update the spending plan and report on actions taken under the spending plan at subsequent Board meetings. The motion was seconded by Cindy Deacon Williams. Vote on the Motion: 7-3. Motion failed (see OWEB voting rules for further explanation).

Dan Thorndike moved to approve Option A in the Spending Plan in Attachment D of the staff report as an overall guide for reserving, awarding and passing through OWEB funds at the beginning of the 2015-2017 biennium, with specific direction to staff to update the spending plan and report on actions taken under the spending plan at subsequent Board meetings. The motion was seconded by Lisa Phipps. Vote on the Motion: 4-6. Motion failed.

Dan Thorndike moved to approve Option B in the Spending Plan in Attachment D of the staff report as an overall guide for reserving, awarding and passing through OWEB funds at the beginning of the 2015-2017 biennium, with specific direction to staff to update the spending plan and report on actions taken under the spending plan at subsequent Board meetings. Seconded by Cindy Deacon Williams. Vote on the Motion: 8-2. Motion passed.

Dan Thorndike moved to award funds in the 2015-2017 biennium for the following purposes and delegate to the Executive Director the authority to distribute the funds through appropriate grants and agreements with an award date of July 1, 2015:

- 1) Award \$750,000 for CREP Technical Assistance;
- 2) Award \$2.5 million for Weed Grants;
- 3) Award \$2.8 million for Small Grants;
- 4) Award \$6.25 million for SWCD Capacity Grants;
- 5) Award \$300,000 for Statewide Organization and Partnership Support;
- 6) Award \$400,000 for Building Capacity Grants;
- 7) Award \$500,000 for CREP Grants;
- 8) Award \$9,511,859 million of PCSRF funds to ODFW;
- 9) Award \$500,000 of non-M76 lottery funding from Oregon Department of Forestry (ODF) for Forest Health Collaboratives Grants;
- 10) Award \$600,000 of General Funds from ODF for Rangeland Fire Protection Association Grants;
- 11) Award \$291,800 for Intensively Monitoring Watershed Grants; and
- 12) Award \$300,000 for the Lower Columbia Estuary Partnership.

Seconded by Bob Webber. Motion passed unanimously.

E. Public Comment - General

The Board took General Public Comment.

- Bob Qualey, Pudding River Watershed Council, provided the Board introductory comments in regards to the Pudding River Watershed Council and their work to improve council operations.
- Clair Klock, Klock Farm and Clackamas Soil and Water Conservation District, provided the Board with his support for Land Acquisitions, and also talked about the issue of privatizing the land being a challenge.

F. Executive Director Update

Meta Loftsgaarden, Executive Director, introduced Renee Davis, Deputy Director, who updated the Board on agency business including:

F-1 - Focused Investment Partnership Program: The update included background on the development of the Program, and how it relates to the Board's Long Term Investment Strategy Framework. She discussed the nine-month process that OWEB lead in relation to the development of the definition, criteria, and program design, including the solicitation approach and process for the Focused Investment category of OWEB funding. She then discussed the nine-month priority setting process that took place. At the Board's April meeting, the Board adopted seven Focused Investment Priorities which included:

- 1) Sagebrush/Sage-steppe habitat
- 2) Oregon Closed Lakes Basin Wetlands Habitat
- 3) Dry-Type Forest Habitat
- 4) Oak Woodland Habitat
- 5) Coho Habitat and Populations along the Oregon Coast
- 6) Aquatic Habitat for Native Fish Species
- 7) Coastal Estuaries in Oregon

On May 1, 2015, the 2015-2017 Solicitation Process for Focused Investment Partnerships was opened. She explained that funding would be offered in two-tracks, one for capacity building and the other for implementation funding, depending on the need of the partnership. She then discussed the pre-application consultations that occurred for the Implementation track.

She talked about the Phase I Implementation applications that were submitted by the July 1, 2015, deadline, and the review process that was being completed for these applications. By August 17, 2015, staff will have provided feedback on all Phase I applications about the outcome of the review process, and a subset of the applicants will be invited by the Board Subcommittee on Focused Investments to submit Phase II applications.

She then discussed the Letters of Intent received for the Capacity Building track by the July 1, 2015, deadline. She explained that this step was to gage the intent of partnerships that would be applying for this funding, so that the Board and OWEB staff are able to plan accordingly for the review process following the November 2, 2015, deadline for capacity building applications.

She noted that within Attachment C to the staff report includes the information about submissions for both Phase I Implementation applications and the Capacity Building Letters of Intent.

Comments from Board Members included:

- Morgan Rider commented that she would like to see the Phase I Applications posted online and a GovDelivery notice sent out so that the Board is aware of those.
 - Lisa Phipps commented that it doesn't have to be a Focused Investment to be successful, if they already have their strategic action plans in place, they can be successful.
 - Will Neuhauser asked about phasing the projects in and stated concerns about staff workload.
-
- F-2 -Water Acquisition Program: Renee Davis, Deputy Director, updated the Board on the program, including a rulemaking process that had occurred that will allow OWEB to increase efficiencies and effectiveness of OWEB's investments in streamflow restoration. Following the adoption of the revised rules, staff worked with other funders to draft a coordinated funder framework. This framework outlines a streamlined process for soliciting, reviewing and making funding recommendations in a way that leverages funders' collective investments and creates a more efficient process for local implementers of water acquisitions. She discussed the Pilot Test of the Coordinated Funder Framework that took place in during the 2013-2015 biennium. The next steps will be to review lessons learned and bring options for next steps of program implementation to the Board for consideration.
 - F-3 - Land Acquisition Program: Renee Davis, Deputy Director, updated the Board on the program, including a rulemaking process that would allow use of grant funds to be used for property purchase price and other costs associated with the acquisition, revising the components of the process, and a revised application process. She talked through the new process to receive, review and make decisions about land acquisition applications. The next steps include outreach to land acquisition stakeholders to obtain feedback about the initial implementation of the new program. She talked about staff gathering lessons learned from the first biennium of implementation and bringing to the Board potential refinements for consideration in October of 2015.

APPROVED BY THE BOARD October 27, 2015
Oregon Watershed Enhancement Board
July 29, 2015

OWEB Board Meeting
Prineville, Oregon
Minutes

OWEB Members Present

Dan Thorndike
Eric Quaempts
Doug Kraemer.
Lisa Phipps
Morgan Rider
Bob Webber
Alan Henning
Will Neuhauser
Kim Kratz
Randy Labbe

OWEB Staff Present

Meta Loftsgaarden
Dana Hicks
Eric Hartstein
Courtney Shaff
Brandi Elmer
Sue Greer
Dan Roper
John Amoroso

Others Present

Becky Hyde
Dani Watson
Tom Mallams
Clair Klock
John Byers
Ryan Gordon
Amanda Rich

G. Klamath Basin Stakeholders Presentation

Becky Hyde, Landowner and Rancher in the Klamath Basin and Dani Watson, Upper Klamath Water Users Association, expressed appreciation to the Board and provided information on how OWEB grant funds have been invested in the Klamath Basin.

H. Public Comment – General

- Tom Mallams, Klamath County Commissioner, spoke about his concerns with the agreements being made in Klamath for restoration.
- Clair Klock, Clackamas Soil and Water Conservation District, provided comments to the Board in support of juniper removal and riparian areas, and thanked them for their time and commitments.

I. Salmon License Plate Policy

Eric Hartstein, Senior Policy Coordinator, provided historical background on the use of Salmon License Plate Funding. He discussed the passage of HB 3333, which specifically directs OWEB to use Salmon License Plate revenues to fund projects that protect or restore native salmon habitat, or restore natural watershed or ecosystem functions by removing artificial obstructions to native salmon migration.

- Comments from the Board included changing the word “iconic” to “represented”
Eric Quaempts moved to adopt a policy that in each Open Solicitation grant cycle, every region will recommend a representative restoration project that will protect or restore native salmon habitat, or restore natural watershed ecosystem functions by removing artificial obstructions to native salmon migration. With Board approval, Salmon License Plate revenues will be distributed amongst those identified projects, seconded by Randy Labbe. Motion passed unanimously.

J. Oregon Department of Agriculture (ODA) Strategic Implementation Areas

Jon Byers, Agricultural Water Quality/Soil and Water Conservation Districts from ODA, provided a presentation to the Board on the agency's efforts to restore riparian function, improve watershed health, and increase water through Strategic Implementation Areas. Director Loftsgaarden noted this topic will be discussed again at the October Board meeting with a potential request for funding.

K. 2015-17 Council Capacity Grant Awards, including Public Comment

Courtney Shaff, Capacity Coordinator, provided a historical overview of the Council Capacity grant eligibility and merit review process. She reviewed the eligibility criteria for watershed councils to apply, which is found in Attachment C to the staff report. She then reviewed the merit review process through which councils were evaluated, found in Attachment D to the staff report.. She then walked through the funding recommendations with the Board found in Attachment F to the staff report, which included recommending full funding for 47 councils at \$110,275 (ten councils for full funding plus umbrella funding), reduced funding for 11 councils at \$88,275, and one council for DO NOT FUND.

Public Comment:

- Kevin O'Brien, Illinois Valley Watershed Council, spoke to the Board in reference to the letter submitted by the council, and to encourage full support and funding for the organization.

Eric Quaempts moved the Board award Council Capacity grants with an award date of July 1, 2015, as described in Attachment F of the staff report, seconded by Doug Kraemer. The motion passed unanimously.

L. Building Capacity Grant: Shared Services Model Update

Courtney Shaff, Capacity Coordinator, and Molly Davis and Kirk Shimeall from Cascade Pacific Resource Conservation and Development provided the Board an update on a Building Capacity Grant awarded in November, 2013 to expand strategic collaboration in the Willamette Basin. (see staff report for more information)

F. Executive Director Update (continued from July 28 – see staff report for additional detail and information)

- F-4. Budget and Legislative Update: Meta Loftsgaarden, Executive Director, and Eric Hartstein, Senior Policy Coordinator, provided an update to the Board which included a wrap-up of the 2015 Legislative Session, including Budget and Policy issues that affect OWEB.
- F-5. Key Performance Measure Revision Process: Meta Loftsgaarden, Executive Director, provided background on the process that OWEB and the Board is going through to revise its Key Performance Measures for the 2017 Legislative Session
- F-6. OWEB Reorganization: Meta Loftsgaarden, Executive Director, provided an update to the Board on the reorganization process that the agency has most recently undergone with extensive staff input that will allow the agency to be strategically aligned within its organizational structure.
- F-7. Long-Term Investment Strategy Update (LTIS): Meta Loftsgaarden, Executive Director, provided an update on the agency's work that continues in association with

the LTIS, including: Online Grant Applications and Agreements and Continuous Improvement Efforts.

- F-8. Pacific Coastal Salmon Recovery Funding (PCSRF): Meta Loftsgaarden, Executive Director, provided an update on PCSRF, including the most recent grant application, in which Oregon was the highest rated state application.
- F-9. Special Investment Partnerships (SIP) Reports: Meta Loftsgaarden, Executive Director, provided an update to the Board on the development of a draft framework for the Board to understand and evaluate the extent of progress made by existing SIPs.
- F-10. 2015-2017 Biennium Grant Application Deadlines and Board Meeting Dates: Meta Loftsgaarden, Executive Director, provided an update to the Board on the development of the 2015-2017 grant offering schedule and Board meeting dates found in Attachment A to the staff report.

Having no further business, the meeting was adjourned.



OWEB Oregon Watershed Enhancement Board Meeting Agenda

Oregon Watershed Enhancement Board

October 27-28, 2015

Tuesday, October 27, 2015

Grant County Regional Airport

72000 Airport Road

John Day, Oregon

Directions: Go into John Day. Turn south at the stop light (there's only one); turn west on 4th street; drive up the hill to the top; turn left; drive about ¼ mile; then turn right on Airport Road.

Business Meeting – 8:00 a.m.

During the public comment periods (Agenda Items C and G) anyone wishing to speak to the Board on specific agenda items is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. ***The Board encourages persons to limit comments to three to five minutes.***

A. Board Member Comments

Board representatives from state and federal agencies will provide an update on issues related to the natural resource agency they represent. This is also an opportunity for public and tribal Board members to report on their recent activities and share information and comments on a variety of watershed enhancement and community conservation-related topics. *Information item.*

B. Review and Approval of Minutes

The minutes of the April 28-29, 2015, Board meeting in Salem, and the July 28-29, 2015, Board meeting in Prineville will be presented for approval. *Action item.*

C. Public Comment [approximately 8:45 a.m.]

This time is reserved for general public comment, as well as other matters before the Board.

D. Conservation Reserve Enhancement Program Technical Assistance (CREP TA) -- Approval to Receive Program Funding

Juniper Davis, Partnerships Coordinator, will provide the Board an update on the CREP TA grant program. Staff will request the Board consider awarding supplemental funding from the Natural Resources Conservation Service in support of CREP TA and delegating authority to the Executive Director for distribution of these funds. *Action item.*

E. Oregon Department of Agriculture (ODA) Strategic Implementation Areas Funding Request

Eric Hartstein, Senior Policy Coordinator, and John Byers, Agricultural Water Quality Program Manager for ODA, will provide an update to the Board and describe an OWEB grant program on Strategic Implementation Areas. The Board will consider a funding request for this grant program and delegate authority to the Executive Director for distribution of these funds. *Action item.*

F. Funding Request for the Upper Middle Fork John Day Intensively Monitored Watershed (IMW)

Ken Fetcho, Effectiveness Monitoring Coordinator, will provide an update to the Board on the monitoring activities of the IMW. The Board will consider a funding request for this program from the Programmatic Effectiveness Monitoring for Open Solicitation line item in the 2015-2017 Spending Plan and delegate authority to the Executive Director for distribution of these funds. *Action item.*

G. Pending Regular Grant Applications

Introduction

Prior to hearing public comment, Courtney Shaff, Capacity Coordinator, will provide background information on the April 2015 grant cycle.

Public Comment [approximately 10:55 a.m.]

This time is reserved for public comment on pending restoration and technical assistance grant applications to be considered for funding by the Board. Only comments pertaining to these specific grant applications will be accepted during the meeting. The Board will not accept any written materials at this time. Any written comments pertaining to pending grant proposals must be received by agency staff by the October 9, 2015, deadline. ***The Board encourages persons to limit comments to three to five minutes.***

Board Consideration of Pending Regular Grant Applications

The Board will consider grant applications submitted by the April 20-21, 2015, application deadline for restoration and technical assistance grants. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

Tour – 2:30 p.m.

The Board and OWEB staff will conduct a Grant County field tour. Transportation will be provided for OWEB Board members and staff. Anyone is welcome to join the tour, but please be prepared to provide your own transportation.

Informal Reception – 5:30-6:30 p.m.

The public is invited to join the OWEB Board and staff at a reception sponsored by local partners and stakeholders in Grant County.

*Location: The Confederated Tribes of Warm Springs
320 W Main St.
John Day*

Wednesday, October 28, 2015**Business Meeting - 8:00 a.m.**

During the public comment period (Agenda Item H) anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. ***The Board encourages persons to limit comments to three to five minutes.***

H. Public Comment [approximately 8:00 a.m.]

This time is reserved for general public comment, as well as other matters before the Board.

I. Water Acquisitions Program Refinements

Renee Davis, Deputy Director, and Eric Hartstein, Senior Policy Coordinator, will propose refinements to the water acquisitions grant program to the Board based on lessons learned from the 2013-2015 test pilot. *Action item.*

J. Land Acquisitions -- Process

Renee Davis, Deputy Director, and Miriam Hulst, Acquisitions Coordinator, will request Board approval to the land acquisition review process. *Action item.*

K. Land Acquisitions -- Extensions

Miriam Hulst, Acquisitions Coordinator, will request deadline extensions for the Hayden Island, Southern Flow Corridor, and Joyce Carnegie Trust land acquisitions.
Action item.

L. Deschutes Special Investment Partnership (SIP) Summary Report

Renee Davis, Deputy Director, and Ken Fetcho, Effectiveness Monitoring Coordinator, will present to the Board the Deschutes SIP Accomplishments Summary Report, which highlights accomplishments made since SIP investments in the partnership began in 2008. *Information item.*

M. Executive Director Update

Meta Loftsgaarden, Executive Director, will update the Board on agency business and late-breaking issues, and introduce OWEB's new Grant Program Manager, Eric Williams, to the Board. *Information item.*

Meeting Procedures

Generally, agenda items will be taken in the order shown. However, in certain circumstances, the Board may elect to take an item out of order. To accommodate the scheduling needs of interested parties and the public, the Board may also designate a specific time at which an item will be heard. Any such times are indicated on the agenda.

Please be aware that topics not listed on the agenda may be introduced during the Board Comment period, the Executive Director's Update, the Public Comment period, under Other Business or at other times during the meeting.

Oregon's Public Meetings Law requires disclosure that Board members may meet for meals on Monday, Tuesday, and Wednesday.

Voting Rules

The OWEB Board has 17 members. Of these, 11 are voting members and six are ex-officio. For purposes of conducting business, OWEB's voting requirements are divided into two categories – general business and action on grant awards.

General Business

A general business **quorum is six voting members**. General business requires a majority of **all** voting members to pass a resolution (not just those present), so general business resolutions require affirmative votes of **at least six** voting members. Typical resolutions include adopting, amending or appealing a rule, providing staff direction, etc. These resolutions cannot include a funding decision.

Action on Grant Awards

Per ORS 541.360(4), special requirements apply when OWEB considers action on grant awards. This includes a special **quorum of at least eight voting** members present to take action on grant awards, and affirmative votes of at least six voting members. In addition, regardless of the number of members present, **if three or more voting members object** to an award of funds, the proposal will be rejected.

Public Testimony

The Board encourages public comment on any agenda item.

A public comment period for pending grant applications will be held on Tuesday, October 27 at 10:55 a.m. The Board will not accept any written materials at that time. Any written comments pertaining to pending regular grant proposals must be received by the October 9, 2015, deadline. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table).

The Board encourages persons to limit comments to three to five minutes.

General public comment periods will be held on Tuesday, October 27 at 8:45 a.m. and Wednesday, October 28 at 8:00 a.m. for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to three to five minutes.***

Tour

The Board may tour local watershed restoration project sites. The public is invited to attend, however transportation may be limited to Board members and OWEB staff. If you wish to join the tour, be prepared to provide your own transportation.

Executive Session

The Board may also convene in a confidential executive session where, by law, only press members and OWEB staff may attend. Others will be asked to leave the room during these discussions, which usually deal with current or potential litigation. Before convening such a session, the presiding Board member will make a public announcement and explain necessary procedures.

Questions?

If you have any questions about this agenda or the Board's procedures, please call Bonnie Ashford, OWEB Board Assistant, at 503-986-0181. If special physical, language or other accommodations are needed for this meeting, please advise Bonnie Ashford (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

Oregon Watershed Enhancement Board Membership

Voting Members

Board of Agriculture member: **Doug Krahmer**
Environmental Quality Commission member: **Morgan Rider**
Fish and Wildlife Commission member: **Bob Webber**
Board of Forestry member: **Cindy Deacon Williams**
Water Resources Commission member: **John Roberts**
Public member (tribal): **Eric Quaempts, Board Co-Chair**
Public member: **Lisa Phipps**
Public member: **Will Neuhauser**
Public member: **Randy Labbe**
Public member: **Dan Thorndike, Board Co-Chair**
Public member: **Karl Wenner**

Non-voting Members

Representative of NMFS: **Rosemary Furfey**
Representative of Oregon State University Extension Service: **Stephen Brandt**
Representative of U.S. Forest Service: **Debbie Hollen**
Representative of U.S. BLM: **Mike Haske**
Representative of U.S. NRCS: **Ron Alvarado**
Representative of U.S. EPA: **Alan Henning**

Contact Information

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, Oregon 97301-1290
503-986-0178
Fax: 503-986-0199
www.oregon.gov/OWEB

OWEB Executive Director – Meta Loftsgaarden

meta.loftsgaarden@state.or.us

OWEB Assistant to Executive Director and Board (interim) – Bonnie Ashford

bonnie.ashford@state.or.us
503-986-0181

2016 Board Meeting Schedule

January 26-27 in McMinnville
April 26-27 in LaGrande
July 26-27 in Lincoln City or Seaside
October 25-26 in North Bend or Ashland

For online access to staff reports and other OWEB publications check our web site: www.oregon.gov/OWEB.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Eric Williams, Grant Program Manager
Juniper Davis, Partnerships Coordinator
SUBJECT: **Agenda Item D: Conservation Reserve Enhancement Program Technical Assistance (CREP TA) – Approval to Receive Program Funding October 27-28, 2015 OWEB Board Meeting**

I. Introduction

This report updates the Board on Oregon's investment in Technical Assistance (TA) for the Conservation Reserve Enhancement Program (CREP), and requests Board approval to accept \$150,000 in additional funding for the program from the Natural Resources Conservation Service (NRCS).

II. Background

CREP is a voluntary program for agricultural landowners. The unique state and federal partnership allows landowners to receive incentive payments and conservation rental payments from the Farm Services Agency (FSA) for establishing long-term, riparian buffers on eligible land. The Oregon CREP was developed initially to address listed salmon streams; the program was later modified to assist in addressing stream water-quality issues (primarily temperature).

The Oregon CREP Agreement requires Oregon to pay for 20 percent of the overall program costs. CREP uses state funding for partial payment (25 percent) of all conservation activities (e.g., fencing, off-stream watering, site preparation, plant materials, planting). In addition to the direct landowner payments for conservation activities, OWEB provides funding for outreach, technical assistance, and program coordination. In recent years, NRCS has also provided funding through OWEB to support this work.

In federal fiscal year 2014, Oregon CREP was successful in enrolling 2,487 acres in the program resulting in a total of over 42,000 acres enrolled over the lifetime of the program in Oregon.

III. CREP Technical Assistance and Associated Funding

CREP is managed by a multi-agency/organizational partnership. In addition to OWEB and FSA, the CREP partnership in Oregon includes NRCS, Oregon Association of Conservation Districts, and the Oregon Departments of Agriculture, Forestry and Water Resources.

Beginning in the 2011-13 biennium, OWEB has offered TA grants for CREP as a competitive grant offering. This offering was implemented because the partnership recognized the program is most successful in those areas with a dedicated CREP TA provider. Grants have been provided to provide direct technical assistance to landowners interested in signing up for the program, along with critical coordination between landowners, local restoration practitioners, and the federal and state agencies responsible for managing the program.

At the January 2015 OWEB Board meeting, the Board approved receipt of \$100,000 in supplemental funding from the NRCS to improve the local delivery of CREP in Oregon. These funds are being directed toward TA grants for 2016-17, CREP-related trainings, augmenting existing grant agreements to provide additional technical assistance in underserved areas, and the resolution of programmatic barriers in cultural resource review coordination.

Subsequently, at the July 2015 OWEB Board meeting, the Board approved a spending plan that set aside \$750,000 in lottery funds for CREP TA grant agreements for 2016-17. In August 2015 NRCS provided an additional \$150,000 to OWEB to assist in the funding of a minimum of ten CREP TA grants.

On September 14, 2015, OWEB received 12 CREP TA applications for a total combined request of \$1,132,601. This fall, OWEB will convene a CREP TA Review Team, staff will make funding recommendations to the OWEB Director, and have grant agreements in place by December 31, 2015.

IV. Recommendation

Staff request the Board approve receipt of \$150,000 in supplemental funding from the NRCS, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Meta Loftsgaarden, Executive Director
Eric Hartstein, Senior Policy Coordinator
John Byers, Oregon Department of Agriculture

SUBJECT: Agenda Item E: Oregon Department of Agriculture Strategic Implementation Areas Funding Request October 27-28, 2015 OWEB Board Meeting

I. Introduction

This report provides an update to the Oregon Department of Agriculture's (ODA) Strategic Implementation Areas (SIA) program and requests the Board approve \$1 million for grants leading to water quality improvements in these areas.

II. Background

At its July 2015 meeting, the Board received an update from ODA regarding the SIA program. SIAs were developed during the 2013-2015 biennium, and tested in cooperation with the Clackamas County and Wasco County Soil and Water Conservation Districts (SWCD). SIAs were initiated with a remote Compliance Evaluation on selected watersheds within Clackamas and Wasco counties. The evaluation identified agricultural areas that may have been contributing to water pollution, and the results of the evaluation were shared with landowners. Additional outreach was conducted to agricultural landowners that were identified as possibly contributing pollution and these landowners were invited to contact ODA or the SWCD. These initial SIA tests were considered successful, and ODA has now introduced SIAs in small watersheds found in Wasco, Polk, Yamhill, Columbia, Jackson, East Multnomah, and Deschutes counties. Watersheds were selected in coordination with local soil and water conservation districts in those areas.

At the July 2015 meeting, the Board also heard that during the 2015 legislative session, a note was added to OWEB's budget that directed the agency to coordinate with ODA on an initiative to implement watershed restoration projects that improve water quality on agricultural lands. The budget note stated that OWEB shall include a minimum of \$1 million of Lottery Funds in the Board's 2015-2017 Spending Plan to work with ODA to provide grants for technical assistance and restoration projects that restore riparian function, improve watershed health, and increase water quality in the SIAs. Governor Brown's response to this budget note is found in Attachment A.

III. SIA Grant Program

Staff have begun coordination with ODA on establishing a SIA grant program at OWEB during the 2015-2017 biennium. Staff believe that the grant program can be implemented consistent with both the Governor's and the Legislature's interest in water quality and the Governor's interest in maintaining the integrity of the agency's M76 funding by utilizing Pacific Coastal Salmon Recovery Fund (PCSRF) grant funding to the greatest extent possible. The geographic focus for the first year of the grant program would be in the aforementioned watersheds. In the second year of the grant program, it is anticipated that selected SIAs would correspond with PCSRF priority areas.

The solicitation cycle for the first year of the SIA grant program is anticipated to begin in late 2015 with grant applications due in January, 2016. The focus of the program is restoration and technical assistance that leads directly to water quality improvements. Projects are expected to include riparian and wetland process and function, erosion and sediment control, manure and waste management, and livestock management. Monitoring would be an allowable cost for restoration grant applications. Larger, programmatic or watershed monitoring will be coordinated by the agencies as appropriate. Following the submittal of grant applications, a review process led by ODA, and including OWEB, would evaluate the applications in January or February, 2016. It is expected that grant agreements will be issued to successful applicants in March, 2016.

OWEB may fund SIA projects if ODA has conducted a compliance site visit and issued a letter to landowners alerting them to water quality-related concerns on the property. However, OWEB will not fund a SIA project if ODA has initiated an enforcement action (e.g., Notice of Noncompliance) against a landowner who has disregarded previous ODA outreach attempts alerting them to water quality issues on the property.

IV. Recommendation

Staff recommend the Board add \$1 million of PCSRF funding to the 2015-2017 spending plan for the SIA grant program and delegate authority to the Executive Director to enter into appropriate agreements with an award date of October 27, 2015.

Attachment

- A. Governor Brown's Response to OWEB Budget Note



July 6, 2015

The Honorable Peter Courtney
Senate President
State Capitol S-201
Salem, OR 97301

The Honorable Tina Kotek
Speaker of the House
H-269 State Capitol
Salem, OR 97301

RE: Senate Bill 5541 and House Bill 5002:

Dear Senate President Courtney and Speaker Kotek:

Clean water is a top priority for my administration. The work of the Oregon Department of Agriculture (ODA) to address water quality impacts of agriculture, combined with the investments of the Oregon Watershed Enhancement Board (OWEB) in supporting voluntary efforts to improve water quality and riparian habitat on those same lands, are key to assuring that water quality is improving across Oregon.

To that end, the 2015-17 Governor's Recommended Budget included a proposed grant program to target additional funding to incentivize voluntary water quality improvements on agricultural lands identified as Strategic Implementation Areas by ODA. Ultimately, we were not successful in securing those funds legislatively. Instead, the legislature adopted two corresponding budget notes, one in ODA's budget (HB 5002), and one in OWEB's grant program budget bill (SB 5541).

The budget notes state that:

*The [two agencies] shall coordinate * * * to implement an initiative to direct conservation investments for water quality improvement and watershed restoration projects associated with working agricultural lands. To achieve this, the OWEB Board shall include a minimum of \$1,000,000 Lottery Funds in the Board's 2015-17 spending plan to work in collaboration with ODA to provide grants to Soil and Water Conservation Districts, Watershed councils, and other local stewardship organizations, for technical assistance and projects to restore riparian function, improve watershed health and increase water quality in Strategic Implementation Initiatives Areas identified by the OD Agriculture Water Quality program. ODA staff shall be primarily responsible for supporting the grant program.*

While water quality is a top priority, I believe that Oregon's voters – in passing ballot Measure 76 in 2010 – intended to place the responsibility for implementation of the natural resources grant program with OWEB, not the legislature. That is why the Measure prohibits the legislature from limiting expenditures from both the main Parks and Natural Resources Account, and the subaccounts including the OWEB grant program. It is also why the voters directed that one state



Oregon

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Ken Fetcho, Effectiveness Monitoring Coordinator
SUBJECT: **Agenda Item F: Funding Request for the Upper Middle Fork John Day Intensively Monitored Watershed**
October 27-28, 2015 OWEB Board Meeting

I. Introduction

This report provides an update regarding the Upper Middle Fork John Day River Intensively Monitored Watershed (IMW) and requests the Board approve \$100,874 for ongoing monitoring activities of the IMW.

II. Background

At its July 2015 meeting, the Board approved receipt of funding that had been provided by the Pacific States Marine Fisheries Commission (PSMFC) to OWEB in support of the IMW. This funding, which PSMFC has provided for several years in support the IMW, was delegated to the Executive Director for distribution. The funds will support ongoing monitoring activities from October 2015 through September 2016.

Since the 2007 inception of the IMW, the Board has provided additional funding in support of critical aspects of this large monitoring study. These funds complement the PSMFC contributions. The Board's investment has allowed priority monitoring work to occur that helps answer important watershed-scale questions that are being addressed by the study objectives. Examples of activities funded with past Board investments include:

- Geomorphology and groundwater monitoring,
- Water-quality sampling using fiber optic cables, and
- PacFish/InFish Biological Opinion (PIBO) landscape-scale systematic surveys.

Most recently, in March of 2015, the Board approved funding to support the North Fork John Day Watershed Council (NFJDWC) to perform water temperature, streamflow and macroinvertebrate monitoring, and for the Washington State University (WSU) to study the relationships between habitat restoration and effects to the biotic community through analyzing the macroinvertebrate data sets collected by the NFJDWC.

This report requests funding from the Programmatic Effectiveness Monitoring for Open Solicitation line item in the spending plan for the NFJDWC, WSU, Oregon State University (OSU), University of Oregon (UO), and the Confederated Tribes of Warm Springs of Oregon (the Tribes) in support of their respective roles in the IMW for the next year.

III. IMW Roles and Responsibilities

The NFJDWC performs water temperature, macroinvertebrate, and streamflow monitoring. This work is central to the IMW goals of evaluating the baseline conditions and trends in water temperature, macroinvertebrate communities, and overall water yield that may result from watershed restoration work (within the context of natural variability). Other responsibilities include reporting, data management, and coordination.

WSU's involvement includes analyzing macroinvertebrate datasets collected by the NFJDWC and PIBO. They are developing models to calculate the biotic integrity of streams for the region using the observed/expected ratio. Status and trends of ecological function associated with implemented restoration projects will be statistically analyzed over multiple years.

The OSU team has several roles in the project: monitoring a set of reaches for temperature dynamics during the low-flow season with fiber-optic cables; monitoring floodplain phreatic (i.e., aquifer) elevations; assisting in flow measurement in the mainstem river and selected tributaries; monitoring micro-meteorological conditions along the IMW reaches; managing and interpreting data collected in these efforts.

UO's focus of this project is to monitor and evaluate restoration action effectiveness in regard to geomorphology and physical habitat. Based on goals stated for the restoration projects, a set of monitoring indicators was defined in 2008. Many indicators are monitored by field measurements collected by the UO team, but in some cases indicators are monitored using remote sensing techniques or field data collected by other parties.

The Tribes provide facilities and support for visiting researchers and IMW partners. They also assist the other organizations with monitoring and recording stream/river temperatures, meteorological data, ground and surface water levels. In addition, the Tribes coordinate the public website for the IMW—<http://www.middleforkimw.org/>—to inform the local community and broader public about the activities and findings of the IMW.

Specific information about each organization's scope of work is found in Attachment A.

IV. Recommendation

Staff recommend the Board award up to \$100,874 in support of the Intensively Monitored Watershed from the Programmatic Effectiveness Monitoring for Open Solicitation line item in the spending plan and delegate authority to the Director to enter into appropriate agreements, with an award date of October 27, 2015.

Attachment

- A. 2015-2016 Scopes of Work for IMW partners

Upper Middle Fork John Day Intensively Monitoring Watershed 2015-2016 SCOPES OF WORK

North Fork John Day Watershed Council

Temperature Monitoring

The watershed council is in charge of deploying and collecting 43 temperature loggers along the mainstem Middle Fork and its tributaries. Loggers will be deployed in April and then collected in November.

Macroinvertebrate Monitoring

Between the months of July and October, both benthic and drift macroinvertebrate samples will be collected. Benthic macroinvertebrate sampling is conducted on the South and Middle forks of the John Day River (the South Fork is used as a reference for the Middle Fork). On each river, there are 10 sampling sites.

Discharge Monitoring

Discharge monitoring occurs at 12 sites along the mainstem Middle Fork and its tributaries. Gaging stations will be installed at each site in April and the loggers will then be deployed at the gaging stations. In order to develop a rating curve for each site, discharge will be measured a minimum of 9 times (though likely more) throughout the spring and summer using a Marsh McBirney flow meter.

Reporting, Data Management, Meetings and Miscellaneous

Reports will be completed and turned in by NFJDWC staff to include: Quarterly Reports, Biannual Website Updates, and a Final Completion Report. NFJDWC staff will also attend the biannual Face to Face meeting where we will provide a presentation on the work they have accomplished to date. Other meetings with members of the IMW will be attended as required, and NFJDWC staff will conduct and/or attend training to better fulfill requisite roles.

IMW Wrap-up and Data Finalization

This funding will support year 9 of the IMW, which will culminate at year 10. Data collected will need to be compiled and organized to create an overall, readable dataset that can be presented with lessons learned, discoveries made and any observations or important take-aways. The NFJDWC will be pivotal in this effort by providing data that will be collected, organization of this data, creating meta-data for release, and providing local connection to the area and the data that has been collected.

Confederated Tribes of the Warm Springs Reservation of Oregon

Oxbow Research Monitoring Station (ORMS) maintenance and support

The Tribes will continue to provide facilities for visiting researchers and IMW partners. Campers and visitors will also be allowed use of the RVs and toilet facility. Wireless Internet is also provided for researchers, IMW partners and visitors. Funds will be used to help pay for electricity, phone, propane, cleaning supplies, and maintenance/repair costs of the RV facilities as well as employee salaries to do maintenance and coordination for the ORMS.

Monitoring

The Tribes will continue to monitor and record stream/river temperatures, weather data, groundwater wells, and staff gauge data. The Tribes currently have 16 temperature loggers, one weather station, nine staff gauges, and three groundwater wells on both the Middle Fork Forrest and Oxbow properties. Groundwater wells are checked weekly to monthly depending on the time of year, as well as the staff gauges. Data from temperature loggers is downloaded at least once a year and given to the NFJDWC, who manages the data. Funds will be used to pay salaries for these monitoring activities and any replacement temperature loggers needed.

IMW Website

Funds will go towards yearly domain and hosting fees as well as updates and changes made to the website. The Tribes are currently working on some changes to the website to make it more user-friendly and engaging to funders and non-scientists—it is likely that work on these changes will progress well into the 2015-2016 fiscal year.

Camp Creek Gauge Station

The Tribes will use funds to contract with USGS for maintenance and data gathering on the Camp Creek gauge station site. Work to perform yearly equipment maintenance and data gathering will be split between the Tribes and USGS, with the stream flow data made available via the USGS stream flow website.

Washington State University

In line with the goals of the IMW to understand the causal mechanisms between stream habitat restoration and changes in fish production at the watershed scale, macroinvertebrate monitoring was initiated in 2009 to determine biological responses to restoration activities. Based on the needs of the Middle Fork IMW to analyze both the benthic and drift macroinvertebrate results in preparation for the final report in 2017, WSU PhD candidate Robin Henderson proposes to assist the Middle Fork IMW in April 2016 to April, 2017 with the analysis of these macroinvertebrate results.

Specific objectives will be the following:

1. Has the biotic integrity of the Middle Fork John Day River improved following management actions by including the data from 2014 and 2015?
2. Determine if the PIBO and NFJDWC samples are comparable following the completion of resolving the taxonomy.
3. Determine how restoration activities affects the passive drift of macroinvertebrates following the completion of resolving the taxonomy.

Stream restoration can be most effective when target-oriented, systematic, and integrative approaches are used to measure restoration outcomes; however, without adequate effectiveness monitoring, we cannot learn from our mistakes, and the science will not advance. Therefore, by monitoring the biological integrity of streams before and after restoration, this research will:

- Ascertain if restoration actions impact the biotic integrity of stream ecosystems.
- Determine how restoration affects the variability of biotic indices.
- Provide insight into the niche axes that partition taxa among sites in the Middle Fork John Day River.
- Advance the quality of environmental inquiry as well as environmental decision-making with regards to stream restoration.

Oregon State University

In the period of October 1, 2015 to September 30, 2016, the OSU team proposes to visit the site for data downloading from all wells and well depth data loggers. The team will install fiber optic sensing in the key reaches of the Middle Fork of the John Day in the summer of 2016. As always, these data will be published on the NOAA data site. The team will carry out fiber optic monitoring program in August of 2016. Data collection in the summer of 2016 will also include weather station, and well temperature-pressure loggers.

Also during the year the team will participate in monthly teleconference calls, and the bi-annual face-to-face meetings. Administratively, the team will continue to provide quarterly reports, biannual website updates, and commit to providing a final completion report for the project.

University of Oregon

The following tasks will be completed from October 1, 2015 to September 30, 2016:

- a) Enter, quality-check and analyze data from the three reaches. Produce maps and graphics, and a report summarizing changes in these reaches since 2008 and 2009.
- b) Compile the 2008 stream survey data and summer 2015 repeat field measurements of pool depth in GIS and analyze these data.
- c) Continue to refine metadata to ensure that it is in good shape for the end of the project. This task will be accomplished by the graduate research assistant (with overall supervision by the project director). The project director will take the lead in report writing, with support from the GRA.

In addition to the monitoring indicators collected directly in the field by the UO team, data from several other sources, including monitoring indicators derived from imagery, and PIBO data, will be analyzed.

- a) Extend GIS analysis of sinuosity to 2013 using the imagery from the SfM helicopter flight. Preliminary analysis using imagery from 2006 to 2011 was completed in 2015.
- b) Analyze planform change in log structures from aerial imagery.
- c) Access some earlier data sets from the 1990s that may be suitable for analysis with the 2006-2013 data, allowing a longer historical time perspective on channel adjustment and response to post-2006 restoration activities, and attempt this analysis.
- d) Analyze the PIBO data in comparison to UO field data for change over time. This task will be accomplished by the graduate research assistant, with overall supervision by the project director.

During summer 2016, the following field tasks will be completed:

- a) Final monitoring of the three remaining study reaches, BEBU, RABE and JUCA, originally surveyed in 2009, 2009 and 2010 respectively.
- b) Baseline monitoring by photography for SfM in new channel constructed in 2016, as appropriate.
- c) Completion of residual pool depth and other field measurements.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Courtney Shaff, Capacity Coordinator
SUBJECT: **Agenda Item G: April 2015 Open Solicitation Grant Awards
October 27-28, 2015 OWEB Board Meeting**

I. Introduction

This staff report describes the April 2015 Open Solicitation grant cycle and funding recommendations. Staff request the Board consider the funding recommendations outlined in Attachments E-J to the staff report. Staff recommend funding 30 restoration projects and 17 technical assistance projects.

II. April 2015 Cycle Background and Summary

A. Applications Submitted

The April 2015 Open Solicitation grant cycle offered Restoration and Technical Assistance applications. A total of 130 grant applications seeking nearly \$16 million were received. Attachment A shows applications submitted by region, project type, and funding request.

B. Applications Withdrawn or Determined Ineligible

1. Ineligible

One restoration and four technical assistance applications were determined to be ineligible. The one restoration application was submitted after the application deadline. One technical assistance application was submitted on the wrong application form and three were ineligible types of technical assistance projects (two for database development and one for the design of a reservoir).

2. Withdrawn

Following the application deadline, five restoration applications (215-5007, 215-5022, 2150-5025, 216-6004, and 216-6014) were withdrawn by the applicants prior to review.

C. Review Process

Staff sent eligible grant proposals for review to the agency's six Regional Review Teams (RRTs). Staff scheduled site visits to as many proposed projects as possible. Per OWEB process, all RRT members were invited on these visits.

Following site visits, OWEB facilitated RRT meetings in each region. Reviewers considered the ecological significance of the proposed project, technical merit, feasibility, likelihood of success, experience of the applicant, whether the budget

supports the proposed work and the overall cost-benefit of applications. After classifying applications as “fund” or “no fund,” the RRTs then prioritized the projects recommended for funding by application type.

The RRTs’ evaluations and recommendations in summary form are distributed to all applicants whose proposals were reviewed by that team. Prior to the Board meeting, staff forward to the Board all written comments received from applicants regarding the RRT and staff recommendations.

III. April 2015 Grant Cycle and Board Policy Decisions

A. Salmon License Plate Projects

At the July 2015 Board meeting the Board adopted a Salmon License Plate Policy (Agenda Item I). Based on this policy, staff recommend distributing \$250,000 of Salmon License Plate funds for this cycle among four projects listed in Attachment B.

B. Sage Grouse Projects

At the April 2015 Board meeting the Board adopted a policy to make available at least \$10 million through its granting programs over the next ten years in support of projects located in Oregon’s sage steppe ecosystem directed to improve Greater Sage Grouse habitat. For the April 2015 Open Solicitation grant cycle, there are two projects recommended for funding that meet these criteria, totaling \$139,656 (Attachment C).

IV. Funding Recommendations

The funding recommendations for the April 2015 Open Solicitation grant cycle are shown in Table 1. Based on applications received we chose to develop funding recommendations as if the second year of PCSRF funds were available. Typically funding recommendations in the first two grant cycles of the biennium are lower, reflecting that OWEB has not yet received the second annual award of PCSRF. In this case, developing a higher staff recommendation early in the biennium, the last two cycles of the biennium could be reduced if the PCSRF grant award is lower than expected.

Table 1: 2015-17 Spending Plan and April 2015 Grant Cycle Staff Funding Recommendations

Application Type	Spending Plan Total (per cycle)	Staff Recommendations	Grant Funds Remaining*
Restoration	\$21.750	\$6,195,435	\$15.5
Technical Assistance	\$1.750	\$688,990	\$1.061
TOTAL	\$23.5	\$6,884,425	\$16.561

* These funds, which do not include future PCSRF awards, will support three future cycles for Restoration and Technical Assistance.

A. Development of Staff Recommendations

OWEB staff considered the RRT recommendations, the funding availability and the 2015-2017 spending plan in developing the staff funding recommendation to the Board. Attachment D contains the overall recommendations, details by region and type, the number of applications recommended by the RRTs and staff and the funding requests recommended by staff.

B. April Cycle 2015 – Regional Application Funding Recommendations

Staff recommendations for Board action are identified by region for the applications in Attachments E-J.

Attachments

- A. Grant Applications Submitted
- B. Salmon License Plate Projects
- C. Sage Grouse Projects
- D. RRT and Staff Funding Recommendations
- E. Region 1 Funding Recommendations
- F. Region 2 Funding Recommendations
- G. Region 3 Funding Recommendations
- H. Region 4 Funding Recommendations
- I. Region 5 Funding Recommendations
- J. Region 6 Funding Recommendations

Oregon Watershed Enhancement Board

Types of Applications Received for April 2015

	Technical Assistance	Restoration	Totals
Region 1	6	7	13
Region 2	7	20	27
Region 3	3	14	17
Region 4	5	6	11
Region 5	7	27	34
Region 6	9	18	27
Statewide	1	0	1
Totals	38	92	130

Dollar Amounts by Application Type

	Technical Assistance	Restoration	Totals
Region 1	208,244	1,556,931	\$1,765,175
Region 2	267,171	4,742,890	\$5,010,061
Region 3	106,380	1,859,414	\$1,965,794
Region 4	213,945	1,774,110	\$1,988,055
Region 5	285,624	2,576,046	\$2,861,670
Region 6	294,781	2,022,368	\$2,317,149
Statewide	42,000	0	\$42,000
Totals	\$1,418,145	\$14,531,759	\$15,949,904

Oregon Watershed Enhancement Board

April 2015 Grant Cycle Salmon License Plate Projects

Application #	Title	Project Objectives	Total Project Cost	Salmon License Plate Contribution
216-1007	Fivemile-Bell Restoration Project Phase III	Reconstructing channels to increase stream and habitat complexity to support coho.	\$300,000	\$62,500
216-2012	East Fork Millicoma Oxbow Reconnection and Habitat Restoration	Reconnecting over 16 miles of habitat and restoring stream functions to support Chinook, coho and steelhead.	\$1,266,815	\$62,500
216-3001	Deer Creek Floodplain Enhancement Project	Large wood placement will increase in-stream complexity and floodplain connectivity for Chinook and bull trout.	\$118,580	\$62,500
216-6008	Oxbow Dredge Mining Restoration, Phase 5	Reconnecting the floodplain and increasing riparian vegetation will improve habitat for Chinook and steelhead in the Middle Fork John Day River.	\$525,000	\$62,500

Oregon Watershed Enhancement Board

April 2015 Grant Cycle Sage Grouse Projects

Application #	Application Type	Title	Project Objectives	Total Project Cost	Dedicated Sage Grouse Funding
216-5020	Restoration	SSP to Protect Wet Meadows and Riparian Areas for Sage Grouse MALCO#1	Wet meadow habitat will be enhanced for brood-rearing sage-grouse.	\$89,656	\$89,656
216-5033	Technical Assistance	The Model to Protect Sage Grouse - Site Specific Plans - Phase III	A sage-grouse biologist will complete site specific plans, which are comprehensive, site-specific and actionable plans for protecting sage-grouse habitat.	\$50,000	\$50,000

Funding Recommendations for the April 2015 Grant Cycle

Number of Applications Recommended by Review Teams and Staff for Funding

Region	Technical Assistance RRT	Technical Assistance Staff	Technical Assistance % Recommended for Funding	Restoration RRT	Restoration Staff	Restoration % Recommended for Funding
1	5	4	80%	7	3	43%
2	5	3	60%	16	1	6%
3	1	1	100%	12	7	58%
4	2	2	100%	6	3	50%
5	5	4	80%	15	11	73%
6	7	3	43%	10	5	50%
Total	25	17	68%	66	30	45%

Dollar Amounts by Application Type Recommended by Staff for Funding

Region	Technical Assistance	Restoration
Region 1	\$145,080	\$893,304
Region 2	\$109,644	\$1,266,815
Region 3	\$46,425	\$906,488
Region 4	\$79,106	\$1,207,975
Region 5	\$194,203	\$980,294
Region 6	\$114,532	\$940,559
Total	\$688,990	\$6,195,435

Region 1 - North Coast

Restoration Applications Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-1007	Fivemile-Bell Restoration Project Phase III PE 41,325 *	300,000	1
216-1008	Mapes Creek Culvert Replacement *	237,634	2
216-1003	Jetty Creek Fish Passage Restoration *	355,670	3
216-1000	Little Rock Creek Riparian Restoration PE 3,376	42,485	4
216-1001	Ben Smith Creek Habitat Enhancement Project ^	48,899	5
216-1002	Upper Crowley Creek Watershed Restoration PE 22,219 * ^	75,693	6
216-1009	Bummer Creek Wetland and Riparian Restoration - Phase 2 ^	100,766	7
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,161,147	
Total Restoration Projects Recommended for Funding by Staff to Board		\$893,304	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions PE = Plant Establishment

Region 1 - North Coast

Technical Assistance Applications Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-1011	North Coast Watershed Councils Restoration Assistance	45,920	1
216-1004	Lower Siletz River Mainstem Restoration Planning and Project Design ^	49,985	2
216-1012	Rock and Schooner Creeks Restoration Outreach and Technical Assistance *	21,575	3
216-1005	Highway Infrastructure: Assessing Impacts to Oregon Estuaries	27,600	4
216-1010	North Creek Road/Stream Crossing Structure Design	19,183	5
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$164,263	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$145,080	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

Region 1 - North Coast

Technical Assistance Applications Not Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-1006	ECFR Road Inventory and Assessment	25,605

April 2015 Restoration Applications North Coast - Region 1

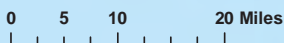


Funding Status

- Do Not Fund, falls below staff recommended funding line
- Staff Recommended for Funding

Funded Grants 1998-2014

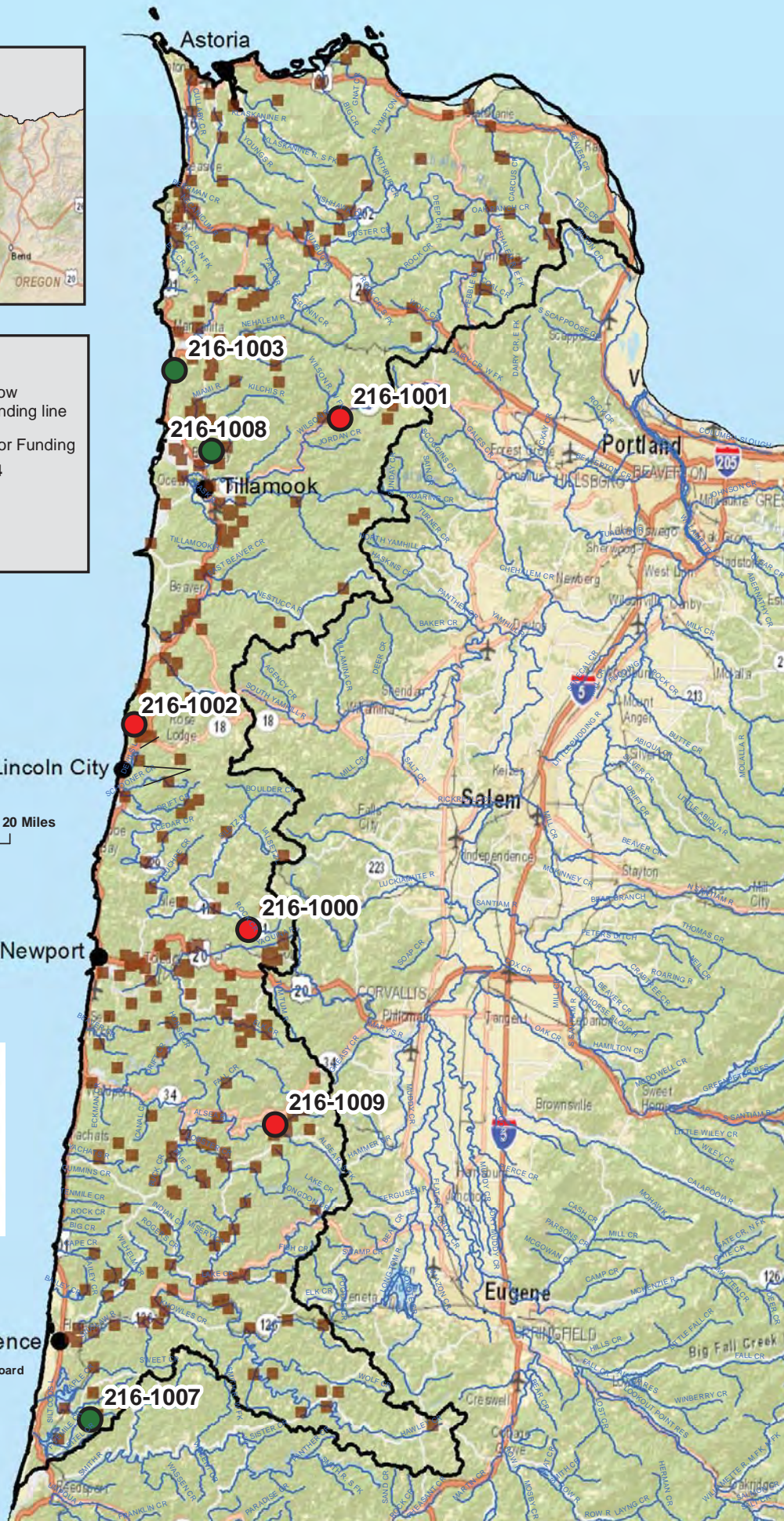
- Restoration
- Region 1 Boundary
- Streams



Oregon Watershed Enhancement Board
775 Summer St, NE Suite 360
Salem, OR 97301-1290
(503) 986-0178
<http://oregon.gov/OWEB/>

This product is for informational purposes and may not be suitable for legal, engineering or surveying use. This information or data is provided with the understanding that the user assumes all responsibility for the use.

Software: ESRI ArcMap 10.2
Map: 1000 Oregon Watershed Enhancement Board
Date: 2015 January 07 09:58
OR OE - S. Lathrop, June 2015



Region 2 - Southwest Oregon

Restoration Applications Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-2012	East Fork Millicoma Oxbow Reconnection and Habitat Restoration	1,266,815	1
216-2013	Ross Slough Channel & Riparian Habitat Restoration PE 60,613	339,436	2
216-2007	Upper East Fork Millicoma River In-stream Habitat Restoration and Fish Passage Improvements ^	323,292	3
216-2019	Camp Creek Instream Restoration	255,856	4
216-2022	Rice Creek Restoration - Kennerly Ranch EM 124,975 * ^	271,020	5
216-2016	Big Creek Instream and Riparian Restoration Project ^	220,434	6
216-2023	Rock Creek Instream Enhancement - 2016	187,539	7
216-2018	Willow Creek Watershed Restoration Enhancement PE 57,603 ^	177,559	8
216-2000	Big Creek Sediment Abatement ^	113,329	9
216-2015	Lower North Fork Ecological Restoration PE 33,597	190,164	10
216-2006	Middle East Fork Millicoma River Instream Habitat Restoration and Road Sediment Reduction ^	370,321	11
216-2008	Bear Creek Riparian Restoration Project - Phase 2 PE 8,250 ^	36,435	12
216-2014	Lower Marlow Creek Channel and Riparian Restoration PE 13,984	93,811	13
216-2002	Shutters Left Fork Fish Passage	41,297	14
216-2021	Applegate River Riparian Restoration PE 104,113 *	333,993	15
216-2001	Plum Gulch Habitat Enhancement ^	22,528	16
Total Restoration Projects Recommended for Funding to Staff by RRT		\$4,243,829	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,266,815	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions PE = Plant Establishment EM = Effectiveness Monitoring

Region 2 - Southwest Oregon

Technical Assistance Applications Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-2024	Millicoma River Aquatic Inventory Surveys - Last in the Coos	49,775	1
216-2020	East Fork Millicoma Road Inventory and Sediment Reduction - Phase II	41,445	2
216-2004	Tenmile Watershed Fish Passage and Large Wood Subbasin Planning ^	18,424	3
216-2025	New River Watershed Project Design ^	24,120	4
216-2026	Winchester Creek Coho Spawning Habitat Improvement Technical Assistance	34,589	5
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$168,353	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$109,644	

^ Fund with Conditions

Region 2 - Southwest Oregon
Restoration Applications Not Recommended for Funding by the RRT
April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-2003	Winters Creek Habitat Improvement	44,815
216-2009	South Umpqua Aquatic Habitat Improvement Project - Phase V	254,500
216-2017	Coyote Trails Nature Center, Bear Creek Side Channel Reconnection	49,215

Region 2 - Southwest Oregon
Technical Assistance Applications Not Recommended for Funding by the RRT
April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-2005	Rogue Basin Flow Restoration Priority and Feasibility Assessment	48,818
216-2010	Coquille Watershed Action Plan 3.0	50,000

April 2015 Restoration Applications Southwest Oregon - Region 2



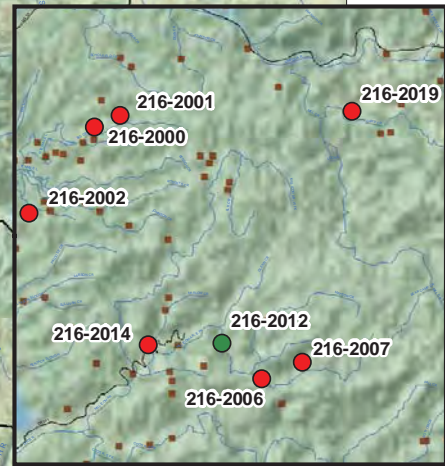
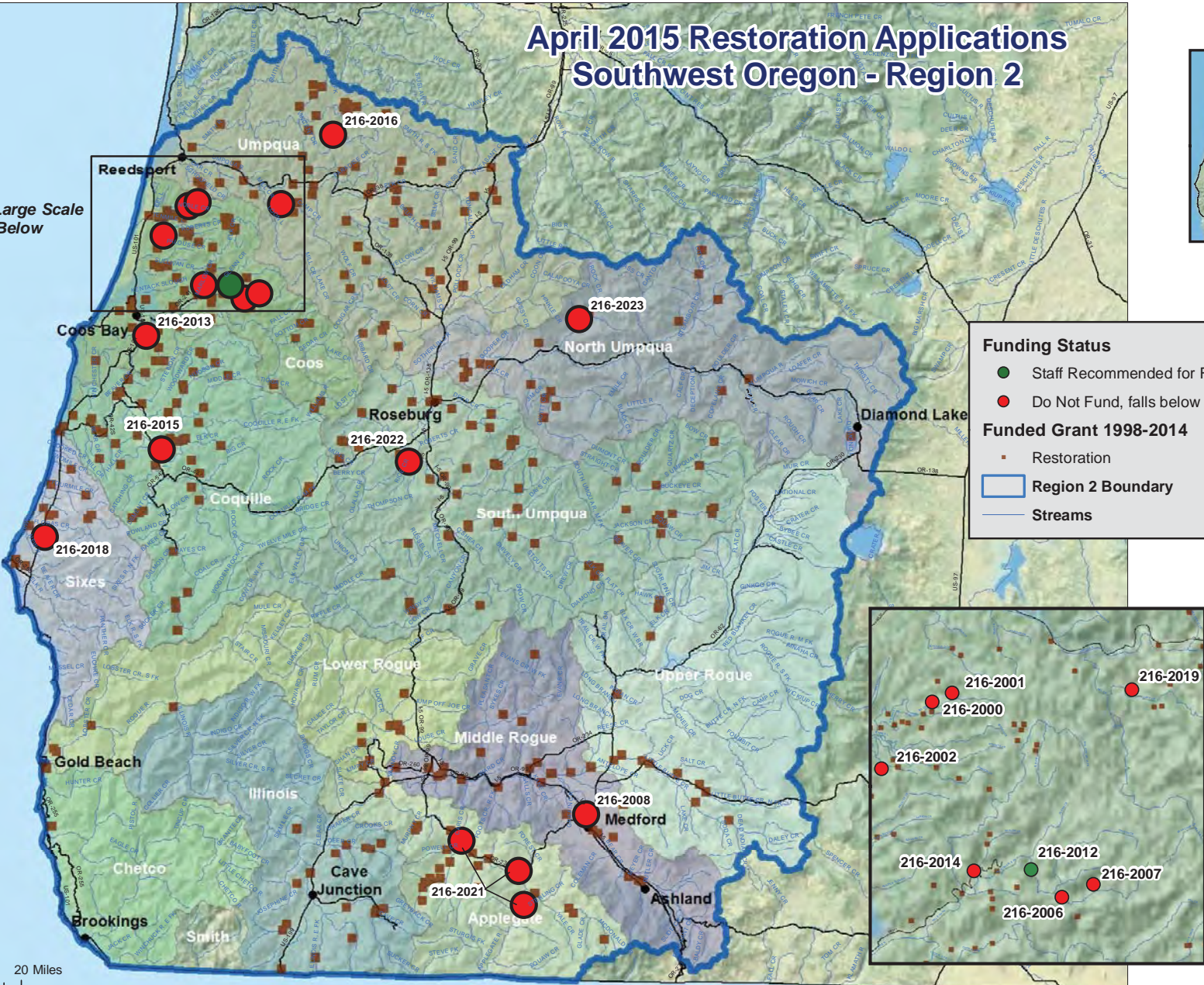
See Large Scale
Map Below

Funding Status

- Staff Recommended for Funding
- Do Not Fund, falls below staff recommended funding line

Funded Grant 1998-2014

- Restoration
- ▭ Region 2 Boundary
- Streams



Oregon Watershed Enhancement Board
775 Summer St, NE Suite 360
Salem, OR 97301-1290
(503) 986-0178
<http://oregon.gov/OWEB/>



0 5 10 20 Miles

Region 3 - Willamette Basin

Restoration Applications Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-3001	Deer Creek Floodplain Enhancement Project	118,580	1
216-3004	Moose Creek Steelhead Habitat Enhancement Project	98,971	2
216-3003	Middle Crabtree Creek Restoration - Phase 2 PE 118,765	192,152	3
216-3014	Salmon River Riparian Vegetation Restoration ^	37,467	4
216-3005	Upper Price Creek Barrier Removal and Fish Habitat Enhancement ** ^	135,058	5
216-3010	Recovery of Mirror Lake Floodplain Function PE 108,994 * ^	200,980	6
216-3013	Sandy River Floodplain Reconnection * ^	123,280	7
216-3008	Lower Owens Creek Fish Passage Enhancement	99,704	8
216-3000	Marble Ranch Riparian Restoration PE 110,167	145,697	9
216-3011	Mt Scott Creek Oak Bluff Reach Restoration	163,862	10
216-3009	Riparian Restoration 2015-2018 PE 11,144 * ^	46,075	11
216-3002	Heritage Nursery Floodplain Restoration PE 92,986 *	121,786	12
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,483,612	
Total Restoration Projects Recommended for Funding by Staff to Board		\$906,488	

** Listed Amount Reflects Recommended Increase * Listed Amount Reflects Recommended Reduction ^ Fund with Conditions PE = Plant Establishment

Region 3 - Willamette Basin

Technical Assistance Applications Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-3016	Strategic Steps Toward Splash Dam Recovery in the Luckiamute Watershed ** ^	46,425	1
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$46,425	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$46,425	

** Listed Amount Reflects Recommended Increase ^ Fund with Conditions

Region 3 - Willamette Basin

Restoration Applications Not Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount
216-3012	Upper Rickreall Creek Restoration - Phase 2	129,600
216-3007	Gales Creek Stream Habitat Enhancement at B Street Trail	95,000

Region 3 - Willamette Basin

Technical Assistance Applications Not Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-3006	Scappoose Bay Bottomlands Restoration Program	28,830
216-3015	Conway and Henry Creek Reconnection	31,625

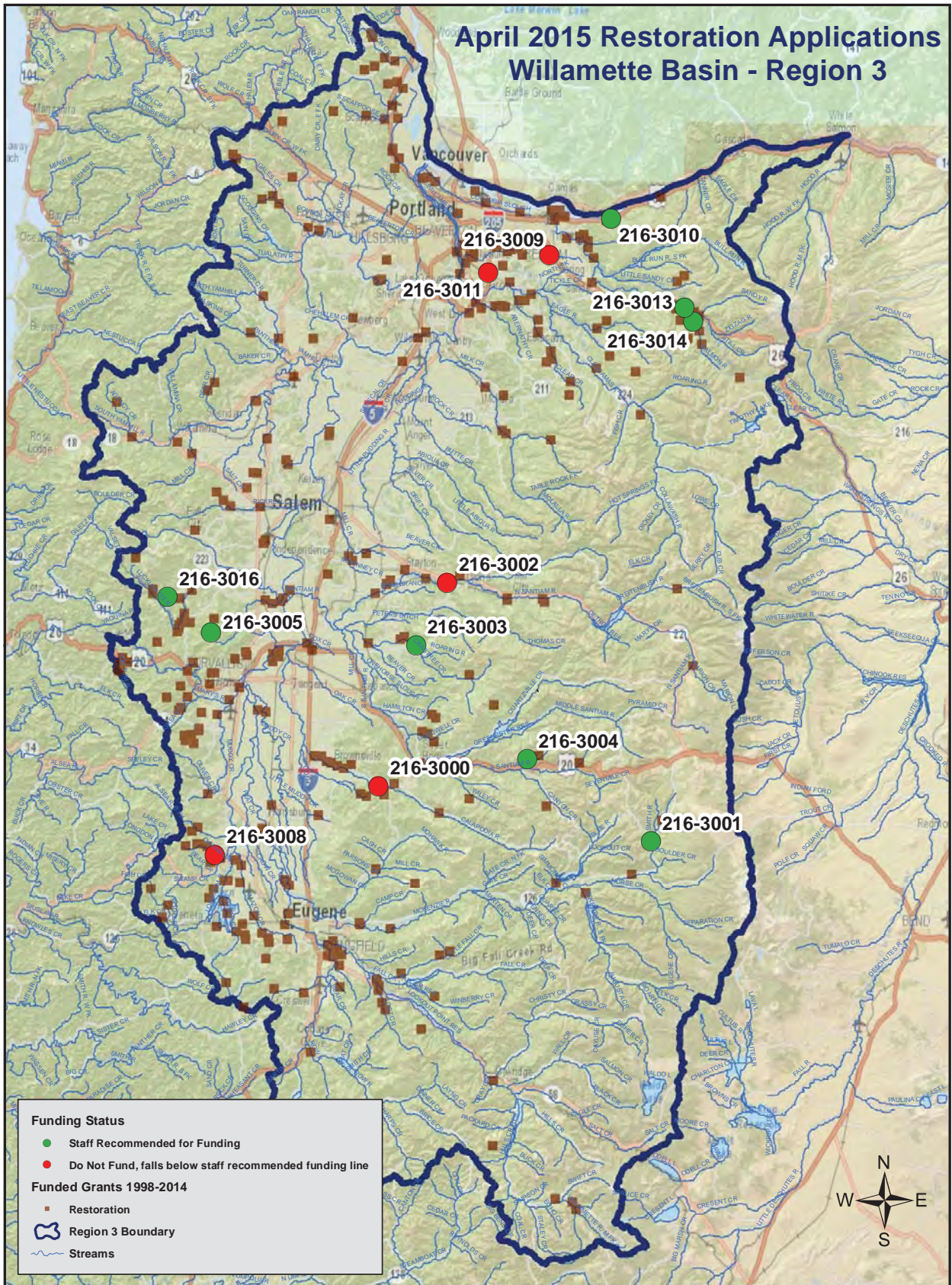
Region 3 - Willamette Basin

Statewide Application Ineligible for Funding by the RRT

April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-3017	Statewide Wetland and Riparian Habitat Guide	42,000

April 2015 Restoration Applications Willamette Basin - Region 3



Funding Status

- Staff Recommended for Funding
- Do Not Fund, falls below staff recommended funding line

Funded Grants 1998-2014

- Restoration
- Region 3 Boundary
- Streams



Oregon Watershed Enhancement Board
 775 Summer St, NE Suite 360
 Salem, OR 97301-1290
 (503) 986-0178
<http://oregon.gov/OWEB/>

This product is for information purposes and may not be suitable for legal, engineering or surveying purposes. This information or data is provided with the understanding that conclusions drawn from such information are the responsibility of the user.

Software: ESRI ArcMap 10.2.2
 NAD 1983 Oregon Statewide Lambert Feet Int
 WKID: 2992 Authority: EPSG
 OWEB - G.Lofthus, T. Wirth, Aug 2015



Region 4 - Central Oregon

Restoration Applications Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-4008	Deep Creek Floodplain Restoration Project ^	176,243	1
216-4006	Odell Creek Dam Removal & Stream Restoration ^	342,732	2
216-4000	North Canal Dam Fish Passage ^	689,000	3
216-4002	Lawson Creek Headwater Recovery Project ^	126,770	4
216-4007	Sabre Wetland & Sage Steppe Enhancement ^	372,084	5
216-4009	Lower Hood River Riparian Restoration Project PE 18,826 ^	67,281	6
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,774,110	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,207,975	

^ Fund with Conditions PE = Plant Establishment

Region 4 - Central Oregon

Technical Assistance Application Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-4004	KV Bar Ranch Restoration Planning	29,316	1
216-4001	Washington Family Ranch Watershed Assessment and Plan ^	49,790	2
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$79,106	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$79,106	

^ Fund with Conditions

Region 4 - Central Oregon

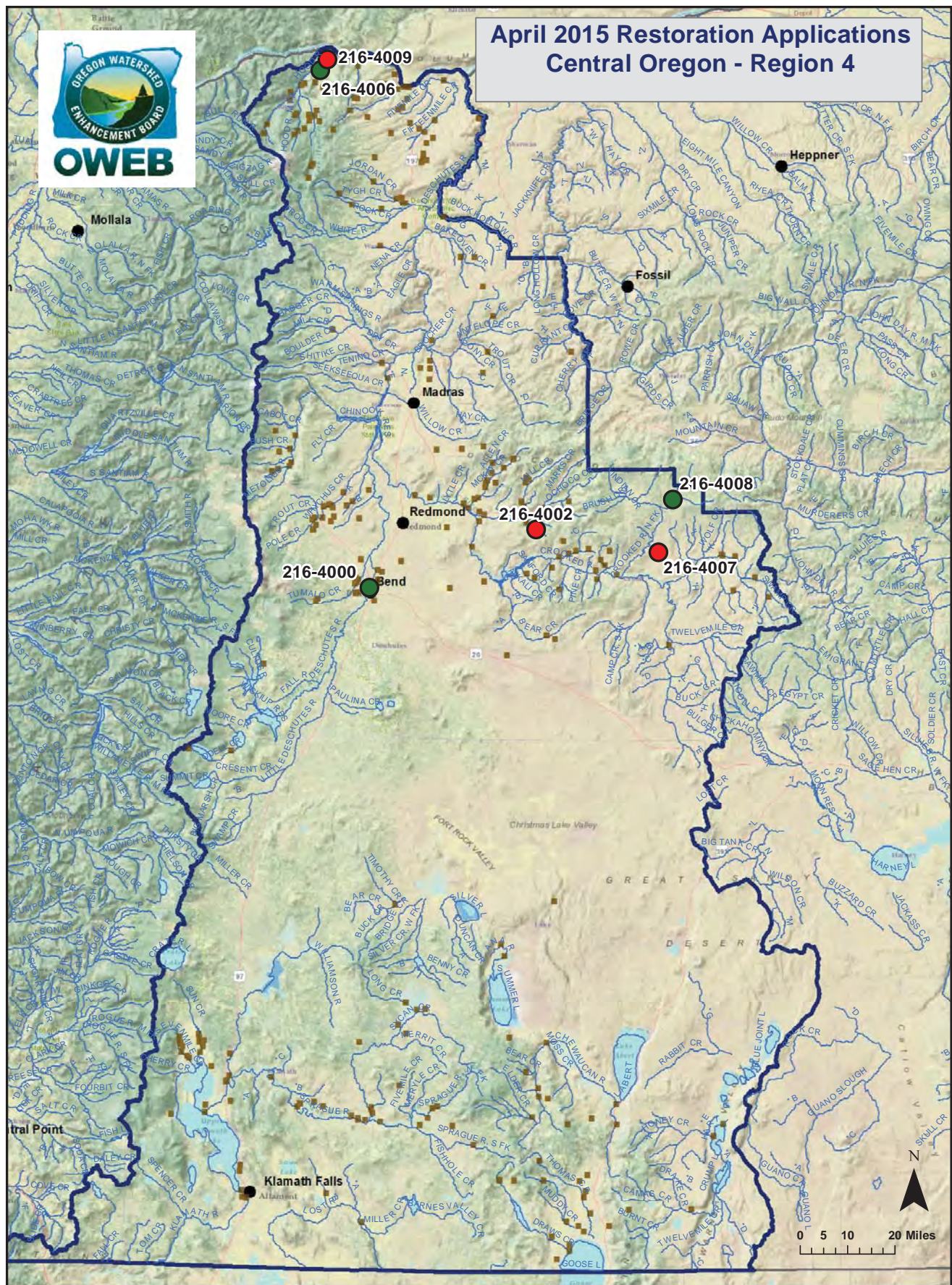
Technical Assistance Applications Not Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-4003	SONEC Partner Conservation Delivery Position - Lake County	50,000
216-4005	North Fork Sprague Fish Screen Assessment	36,520
216-4010	Bonnieview Dam Fish Passage Design	48,319



April 2015 Restoration Applications Central Oregon - Region 4



Funding Status

- Staff Recommended for Funding
- Do Not fund, falls below staff recommended funding line

Funded Grants 1998-2014

- Restoration

Streams

Region 4

Oregon Watershed Enhancement Board
 775 Summer St, NE Suite 360
 Salem, OR 97301-1290
 (503) 986-0178
<http://oregon.gov/OWEB/>



This product is for information purposes and may not be suitable for legal, engineering or surveying purposes. This information or data is provided with the understanding that conclusions drawn from such information are the responsibility of the user.

Software: ESRI/ArcMap 10.2.2
 NAD 1983 Oregon Statewide Lambert Footprint
 WKID: 5022, Datum: NAD83
 OWEB - G.L.Murru, June 2015

Region 5 - Eastern Oregon

Restoration Applications Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-5019	Phase II Little Malheur River Habitat Restoration	68,944	1
216-5001	Meadow Creek Upland Water Source Project Phase IIIA Wells *	31,068	2
216-5000	Danner Valley WQ Improvement Phase III	57,940	3
216-5028	Little Crane Creek and 16 Road Exclosures	24,238	4
216-5012	Upper Grande Ronde Invasive Weed Control	17,000	5
216-5014	Grande Ronde River Watershed Noxious Weed Management	39,970	6
216-5003	Twilight Water Quality Improvement Zone * ^	300,000	7
216-5026	Ivanhoe Away ^	78,113	8
216-5030	South Road K ^	49,765	9
216-5020	SSP to Protect Wet Meadows and Riparian Areas for Sage-Grouse MALCO#1 ** ^	89,656	10
216-5010	Grande Ronde River Mile 109 Fish Habitat & Water Quality Improvement Project * ^	223,600	11
216-5021	SSP to Protect Riparian Areas for Sage-Grouse MALCO#2 ** ^	113,104	12
216-5006	Balm Creek Stock Water	24,968	14
216-5004	Cow Hollow Dreamin Phase II *	26,956	15
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,145,322	
Total Restoration Projects Recommended for Funding by Staff to Board		\$980,294	

** Listed Amount Reflects Recommended Increase * Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

Region 5 - Eastern Oregon

Technical Assistance Applications Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-5018	Lostine River/ Tulley-Hill Passage Improvement	44,321	1
216-5023	Harney Basin LiDAR Analysis	49,882	2
216-5016	Upper Wallowa River Restoration Project ^	50,000	3
216-5033	The Model to Protect Sage-Grouse - Site Specific Plans - Phase III ^	50,000	4
216-5009	Newt-Young Take Two * ^	13,443	5
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$207,646	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$194,203	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

Region 5 - Eastern Oregon

Restoration Applications Not Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-5002	Wallowa River-Baker Project	453,961
216-5005	Virtuous Stock Water	12,674
216-5008	Horse Springs Pipeline Restoration	39,917
216-5011	Walker Water Quality Improvement Project	58,879
216-5013	A Wetland in the Desert: Jonesboro Wetland Expansion Project EM 5,685	114,330
216-5017	Catherine Creek (CC44) Fish Habitat Restoration Phase IV	289,669
216-5024	Willow Creek Improvement	26,879
216-5027	Hoodoo Restoration	37,693
216-5029	Last Chance Bishop Drain	52,852
216-5031	Whiskey Creek Forest Health Improvement	85,870

Region 5 - Eastern Oregon

Technical Assistance Applications Ineligible for Funding by the RRT

April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-5015	Streamlined Database for NE OR Weeds	42,691
216-5032	Little Rock Creek Reservoir Project	33,200

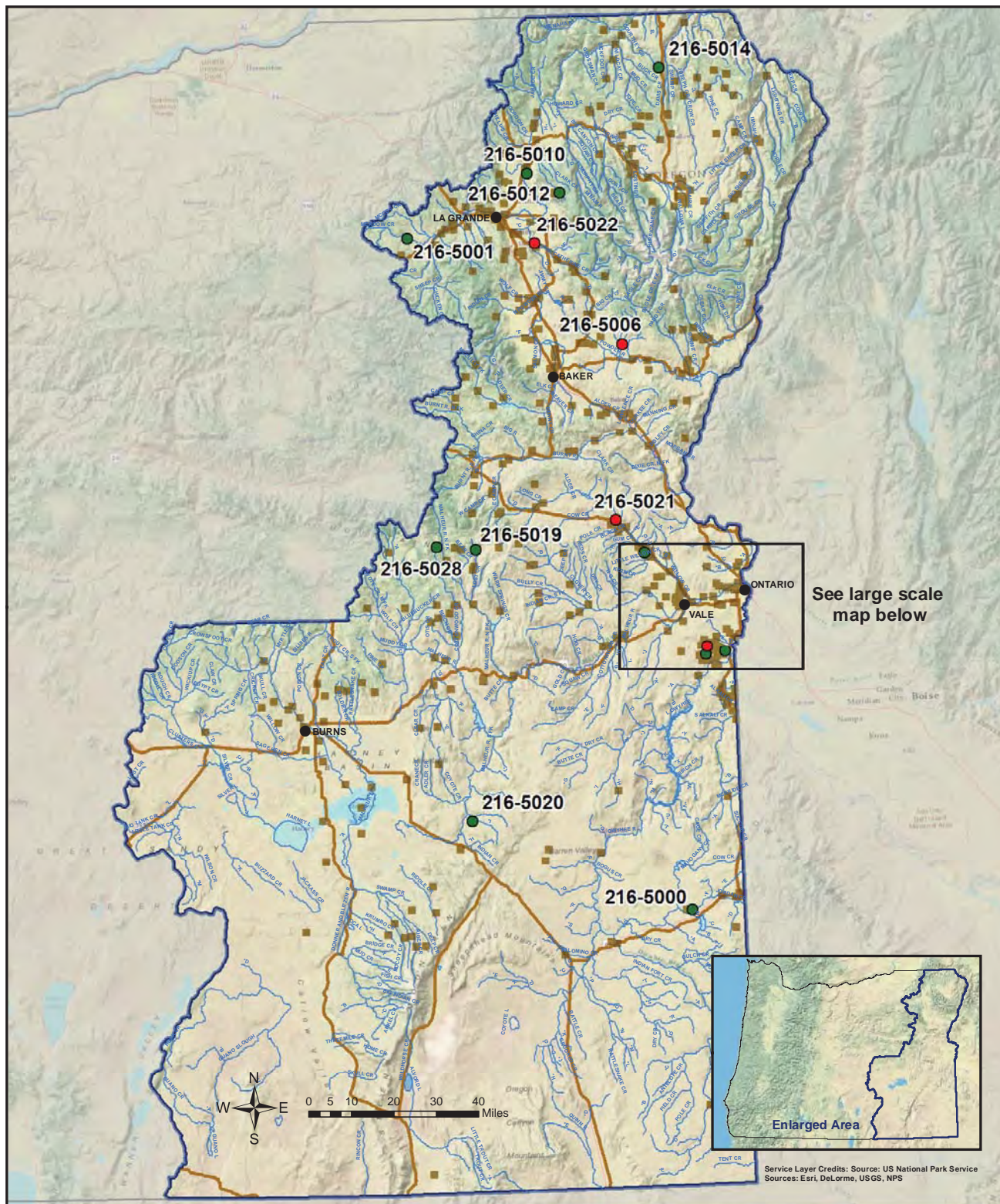
Region 5 - Eastern Oregon

Restoration Applications Withdrawn by the Applicant

April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-5007	Mulhorn Aspen and Springs	15,603
216-5022	Little Creek Channel Complexity Project (LCH-1)	75,000
216-5025	Bench Ground-Flood to Sprinklers	31,803

April 2015 Restoration Applications - Region 5 Eastern Oregon



Funding Status

- Staff Recommended for Funding
- Do Not Fund, falls below staff recommended funding line

Previous Grants 1998-2014

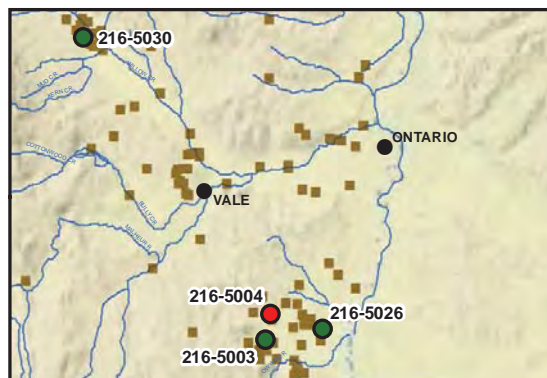
- Restoration
- ⊞ Region 5



Oregon Watershed Enhancement Board
 775 Summer St, NE Suite 360
 Salem, OR 97301-1290
 (503) 986-0178
<http://oregon.gov/OWEB/>

This product is for information purposes, and may not be suitable for legal, engineering or surveying purposes. This information or data is provided with the understanding that conclusions drawn from such information are the responsibility of the user.

Software: ESRI ArcMap 10.2.2
 NAD 1983 Oregon Statewide Lambert Feet Int
 WKID: 2992 Authority: EPSG
 OWEB: G. Lofthus, April 2015



Region 6 - Mid Columbia

Restoration Applications Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-6011	Phillip W. Schneider Wildlife Area Range Restoration ^	255,358	1
216-6008	Oxbow Dredge Mining Restoration, Phase 5	525,000	2
216-6015	Bridge Creek Holistic Restoration #1	38,728	3
216-6010	Cottonwood Ditch Piping ^	84,196	4
216-6016	Badger Creek Diversion #4 *	37,277	5
216-6026	Upper Cherry Creek Restoration Project	78,707	6
216-6003	Bull Run Large Woody Debris *	105,503	7
216-6007	Cavender Wetland Enhancement	144,325	8
216-6018	Upper Badger Pipeline	39,561	9
216-6019	Upper Mountain Creek Forest Enhancement	52,414	10
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,361,069	
Total Restoration Projects Recommended for Funding by Staff to Board		\$940,559	

* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

Region 6 - Mid Columbia

Technical Assistance Applications Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
216-6002	Olex Irrigation Diversion Design and Technical Assistance	38,931	1
216-6000	Harper Diversion Stream Restoration	29,559	2
216-6001	Hewes Irrigation Diversion Stream Restoration	46,042	3
216-6025	Rock Creek Reach Assessment	45,180	4
216-6022	Badger Creek Habitat #1	28,840	5
216-6023	Bear Creek Reach Evaluation	21,245	6
216-6009	Kingery-Cottonwood Wetland Enhancement - Phase I	34,377	7
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$244,174	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$114,532	

Region 6 - Mid Columbia

Restoration Applications Not Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-6006	North Sherman Watershed Solar Water Development	42,979
216-6012	Steve Platt Ranch Water Developments	41,009
216-6013	Butte Creek Juniper Removal	153,418
216-6017	Badger Creek Diversion #6	107,448
216-6020	Tutuilla Creek Restoration at Grecian Heights Park	16,610
216-6021	Heflin Diversion and Culvert	66,608

Region 6 - Mid Columbia

Technical Assistance Applications Not Recommended for Funding by the RRT

April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-6005	European Ear Snail	7,777
216-6024	Lower Middle Fork John Day River Assessment	42,830

Region 6 - Mid Columbia

Restoration Applications Withdrawn by the Applicant

April 20, 2015 Grant Cycle

Project #	Project Name	Total Amount Requested
216-6004	Pine Creek Water Quality Improvement	13,062
216-6014	Lower Pine Creek Watershed Restoration	194,431

April 2015 Restoration Applications Region 6 Mid-Columbia



Oregon Watershed Enhancement Board
775 Summer St, NE Suite 360
Salem, OR 97301-1290
(503) 986-0178
<http://oregon.gov/OWEB/>

This product is for information purposes and may not be suitable for legal, engineering or surveying purposes. This information or data is provided with the understanding that conclusions drawn from such information are the responsibility of the user.

Software: ESRI ArcMap 10.2.2
NAD 83 Oregon Statewide Lambert Feet Intl
OWEB - G. Loftus, June 2015



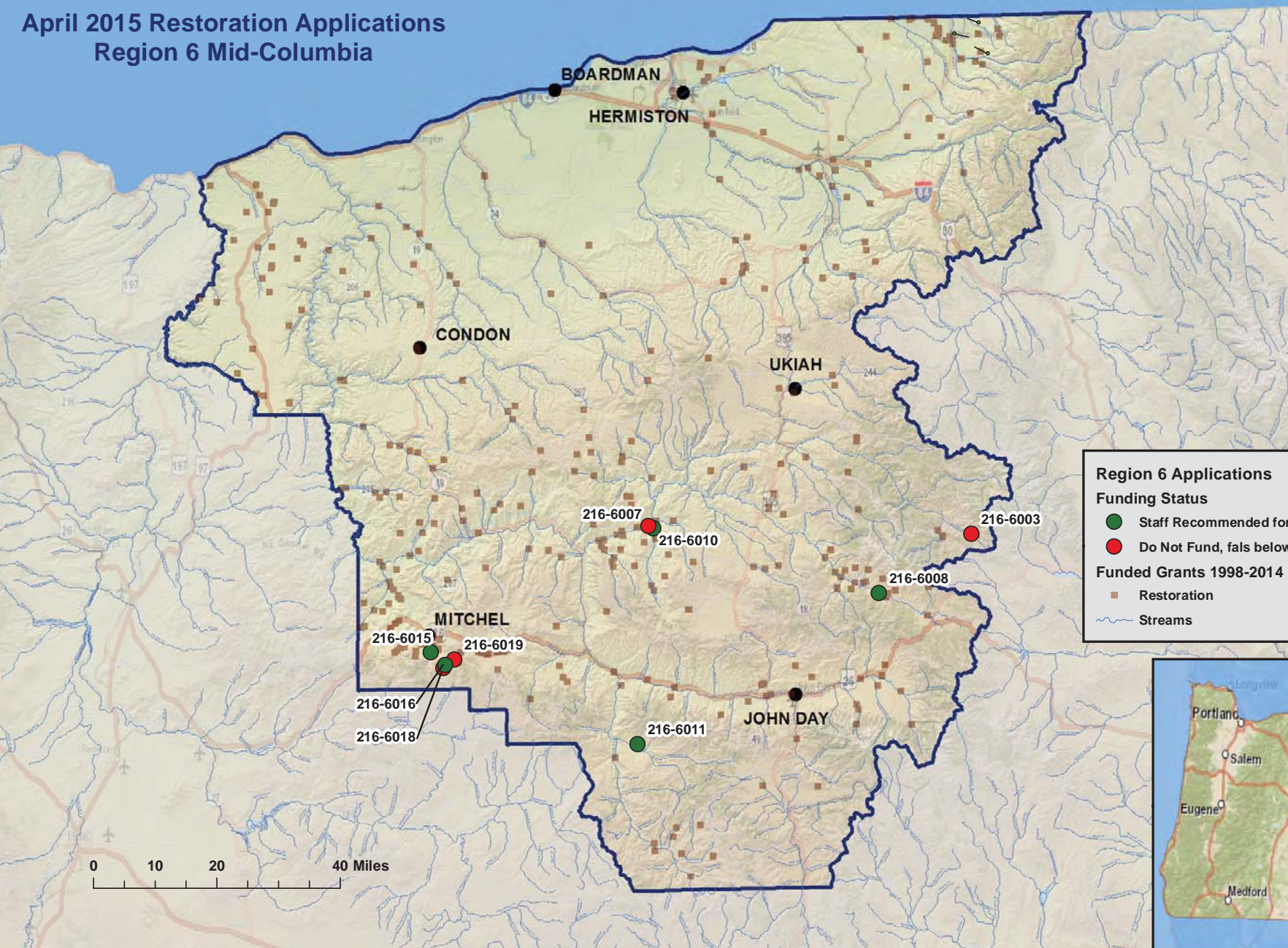
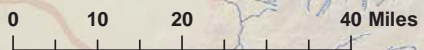
Region 6 Applications

Funding Status

- Staff Recommended for Funding
- Do Not Fund, falls below staff recommended funding line

Funded Grants 1998-2014

- Restoration
- ~ Streams



Oregon Watershed Enhancement Board

Types of Applications Received for April 2015

	Technical Assistance	Restoration	Totals
Region 1	6	7	13
Region 2	7	20	27
Region 3	3	14	17
Region 4	5	6	11
Region 5	7	27	34
Region 6	9	18	27
Statewide	1	0	1
Totals	38	92	130

Dollar Amounts by Application Type

	Technical Assistance	Restoration	Totals
Region 1	208,244	1,556,931	\$1,765,175
Region 2	267,171	4,742,890	\$5,010,061
Region 3	106,380	1,859,414	\$1,965,794
Region 4	213,945	1,774,110	\$1,988,055
Region 5	285,624	2,576,046	\$2,861,670
Region 6	294,781	2,022,368	\$2,317,149
Statewide	42,000	0	\$42,000
Totals	\$1,418,145	\$14,531,759	\$15,949,904



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290
(503) 986-0178
FAX (503) 986-0199
www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Renee Davis, Deputy Director
Eric Hartstein, Senior Policy Coordinator
SUBJECT: **Agenda Item I: Water Acquisition Program Refinements
October 27-28, 2015 OWEB Board Meeting**

I. Introduction

This staff report updates the Board about results of the pilot test of the coordinated funder framework for water acquisitions grants, and recommends program refinements based on lessons learned from the pilot test.

II. Background

In June 2013, the Board adopted revised administrative rules for OWEB's water acquisition grants that allowed OWEB to coordinate with other funders to increase efficiency and effectiveness of investments in streamflow restoration. Staff then worked with other funders to draft a coordinated funder framework. This framework outlines a streamlined process for soliciting, reviewing and making funding recommendations that leverages funders' investments and creates more efficiency for local implementers.

At its January 2014 meeting, the Board approved the associated water acquisitions guidance, which describes the priorities, principles and process for water acquisition grant-making, outlining that the 2013-2015 biennium be used as a pilot test of the framework. Only approved and qualified local entities with existing programs were eligible for grants in the 2013-15 biennium, reducing the risk of funding an entity with an emerging water acquisition program with little experience in carrying out complex water transactions. OWEB contracted with National Fish and Wildlife Foundation (NFWF) to assist with design of the solicitation and review processes for water acquisition grant applications under the pilot test of the framework.

III. Pilot Test of the Coordinated Funder Framework

The first solicitation was held in late 2014 with proposals submitted by two entities: the Deschutes River Conservancy and The Freshwater Trust, requesting approximately \$123,000. In April 2014, the Board awarded funding in support of both proposals.

Due to cost savings and leveraging of match funding by both award recipients during the 2014 irrigation season, both organizations are extending the 2014 grant funding to support work under these programs in 2015. For this reason, and because no other requests were submitted, the Board was not asked to consider funding requests in 2015.

Staff have assessed the pilot test of the coordinated funder framework. Key lessons learned from the pilot test are:

1. Informal joint solicitation was somewhat useful. However, given that grantees needed to complete both OWEB and NFWF applications, a fuller set of efficiencies was not found.
2. In the future, a formal joint solicitation with NFWF would require that all OWEB applicants are certified as qualified local entities (QLEs), a NFWF requirement, which creates a cost for certification. While it has benefits in terms of confirming organizational capacity, it may be more stringent than the Board prefers to be. This approach would need further consideration, and will be discussed with the Board Acquisitions Subcommittee.
3. The joint review process was incredibly valuable. Expertise offered by the NFWF Technical Advisory Committee (TAC) was very useful.
4. TAC expertise alone is not sufficient for reviewing these applications. Consistent due-diligence review by Oregon Department of Justice (DOJ) is needed.
5. Having NFWF serve as the single grant recipient that coordinates with the local implementers did not add value to the process.

IV. Recommended Refinements to the Water Acquisition Program

In September 2015, staff discussed these lessons learned with the Board Acquisitions Subcommittee, and drafted several recommended program refinements for consideration by the Board at its October meeting, including:

- Offer an annual, OWEB-specific solicitation for water acquisitions to local implementers with established flow restoration programs;
- Revise OWEB materials to align with revised administrative rules and guidance; to leverage appropriate priority items from NFWF applications; and to include additional questions to address organizational capacity (including a more streamlined set of questions for those entities that already are certified as QLEs).
- Contract with NFWF to coordinate technical reviews of water acquisition grant applications and to participate in organizational capacity review of applications.
- Utilize DOJ for due-diligence reviews.
- Remove Board subcommittee recommendation and use staff recommendation (as occurs with the Open Solicitation Grant Program), given the extensive reviews conducted for technical, ecological, legal and organizational capacity.
- Hold development of an “emerging programs” path within the water acquisition program until later in the 2015-2017 biennium or the next biennium.
- Convene discussions with the Water Resources Department (WRD) about new grant programs that agency is developing with implementation funding for the Integrated Water Resources Strategy in order to ensure OWEB and WRD grant-making is coordinated and complementary.

V. Recommendation

Staff recommend the Board approve the refinements to the Water Acquisition Program that are outlined in Section IV of this staff report.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Renee Davis, Deputy Director
Miriam Hulst, Acquisitions Coordinator
SUBJECT: **Agenda Item J: Land Acquisition Grants – Process Refinements
October 27-28, 2015 OWEB Board Meeting**

I. Introduction

This staff report updates the Board about the first biennium of implementation of OWEB's revised administrative rules and updated process for land acquisition grants. The report also outlines staff recommendations for process refinements based on these lessons learned and requests Board action on these recommendations.

II. Background

In January 2013, the Board adopted revised administrative rules for OWEB's land acquisition grants. The revised rules included several key components, such as:

- 1) Use of grant funds – allows grant funds to be used for property purchase price and other costs associated with the acquisition (e.g., appraisal, management plan);
- 2) Revised components for the grant application process; and
- 3) A revised evaluation process.

In parallel with rulemaking, OWEB staff developed a streamlined process to receive, review, and recommend land acquisition projects, including online submission of applications. Both were implemented in the 2013-2015 biennium. Site visits and ecological evaluations are conducted by staff, and ecological experts recommended by the applicant and staff. Project soundness reviews are conducted by staff, the agency's due-diligence technical assistance contractor, and the Department of Justice. Reviews categorize potential concerns based on their likelihood of being resolved in the 18-month timeframe allowed for closing transactions after the Board awards funding. Applications are also reviewed for organizational capacity and community benefits/impacts. Public comment is then solicited through a noticed public hearing held for each project the Acquisitions Subcommittee recommends. Staff prepare an evaluation summarizing the review outcomes and providing a score for each project. Completed evaluations are provided to applicants, posted online and provided to the Board. Applicants may also provide public comment to the Board as part of the decision-making process.

III. Assessing the First Biennium of Implementation

In the October 2013 grant cycle, six land acquisition grant applications were received, totaling approximately \$3.6 million. One was withdrawn and four awarded funding by the

Board. In the October 2014 cycle, eight applications were received, totaling approximately \$3.3 million. Two were withdrawn and five were funded by the Board.

Staff initiated outreach to land acquisition stakeholders (e.g., applicants, grantees, members of the land trust community) to obtain feedback about the new program after the first two cycles. Outreach is taking multiple forms, such as online surveys and in-person discussions with stakeholders. Based on the feedback received, along with lessons learned from the staff perspective, staff discussed potential refinements to the program with the Board Acquisitions Subcommittee. Based on their feedback, final refinements are outlined in Section IV. Staff have reached out to the land trust community, and refinements were positively received by stakeholders.

IV. Recommendations for Process Refinements

Staff recommend, and the Board Acquisitions Subcommittee supports, process refinements that fall into two temporal categories: near-term and longer term.

A. Proposed Near-Term Refinements

- Implement shared-services for relocation in with ODOT – Ensures OWEB meets relevant requirements on projects that include relocation.
- Increase the number of ecological reviewers per project to a total of 4-5 – Ensures well rounded review of each application.
- Revise the recommendation process for land acquisition grant to engage the subcommittee for providing feedback to staff – better aligns land acquisitions with Open Solicitation Grant Program and proposed water acquisition process.
- Conduct public hearings for all applications – Ensures parity among projects from the standpoint of information that is provided to the Board at time of deliberation.
- Hold discussion of additional due diligence and funding conditions after evaluations and staff recommendations have been released – Ensures transparency.

B. Potential Longer-Term Refinements

- Explore development of a pilot process by which a “midpoint” due-diligence update could be provided by applicants during the application review process – Allows applicants to provide important updated due diligence to inform evaluation, while ensuring the information is provided in a legally documentable fashion.

Staff will continue to track the effectiveness and efficiency of all refinements made to the land acquisition process, with the intent of adaptively managing of the program in a consistent and transparent manner.

V. Recommendation

Staff recommend the Board approve the refinements to the Land Acquisition Program outlined in Section IV of this staff report.

Process for Land Acquisition Applications to OWEB 2015

Includes timeline for steps prior to Board decision

Step 1: Pre-Application Consultation

Starting August 1

*Recommend no later
than September 15*

Applicant Responsibility

- Review consultation checklist
- Provide project map and preliminary title report
- Determine whether any tenants are on the property
- Provide access status or plan
- Conduct site visits with potential project reviewers

OWEB Responsibility

Shared Responsibility

- Discuss (as applicable):
- Title risk, access and boundaries
 - Land use changes
 - OWEB funding, match and timing
 - Organizational capacity
 - Community support or opposition
 - Shared ecological expectations
 - ESA risk assessment
 - Water rights
 - Any seller-retained rights
 - Potential relocation issues

Outcome: Brief summary of discussion including identification of key issues to resolve

Step 2: Application Submission and Processing

*Application period
opens: July 31*

*Application deadline:
October 20*

Applicant Responsibility

- Completed application form
- Project budget, schedule, and maps
- Organizational eligibility, capacity, and fiscal
- Preliminary title report
- Stewardship endowment funds and source
- Letter of acknowledgement from landowner, and signed option if available
- Management plan outline
- Project support letters
- Long-term manager letter, if applicable

OWEB Responsibility

- Prepare project evaluation materials (staff)
- Tribal notification

Shared Responsibility

Outcome: Application submitted by applicant and evaluation materials prepared by staff



**Step 3:
Application
Review**

*October 21 –
March 15*

Applicant Responsibility

OWEB Responsibility

- Ecological outcomes review (4-5 reviewers total)
- Project soundness review (including staff and preliminary DOJ review)
- Community benefits and impacts review
- Organizational capacity review
- Project check-in with Board Committee

Shared Responsibility

- Participate in site visit

Outcome: Application reviews complete and used in summary provided to Board



**Step 4:
Public Review**

December 1 –
March 15

Applicant Responsibility

- Provide list of individuals to notify
- Respond to public comment

OWEB Responsibility

- Complete public notification process
- Tribal consultation
- County commission notification

Shared Responsibility

- Participate in public hearing

Outcome: Information gathered will be included as a part of the report to the Board

Evaluation:

Initial Results and Staff Recommendation

Includes recommended funding conditions based on all evaluations (ecological outcomes, community benefits and impacts, organizational capacity, project soundness)

**Step 5:
Project Startup
Consultation**

March 16 – April 26

**Note –only completed
at this time if “do fund”
recommendation*

Applicant Responsibility

OWEB Responsibility

Shared Responsibility

- Agree to conditions for Board decision
- Begin easement negotiation
- Begin grant agreement negotiation
- Develop staff recommendation for the Board, including funding conditions
- Discuss Description of Restored Conditions, if applicable

Outcome: Documented agreement between OWEB and applicant on how to address funding conditions so information can be presented to the Board as a part of its funding decision materials

Board Decision (April Board Meeting)

Fund with Conditions

No Fund (no further steps)



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290
(503) 986-0178
FAX (503) 986-0199
www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Miriam Hulst, Acquisitions Coordinator
SUBJECT: **Agenda Item K: Time Extensions for Land Acquisition Projects
October 27-28, 2015 OWEB Board Meeting**

I. Introduction

This staff report updates the Board on due diligence for certain land acquisition projects and recommends the Board approve time extensions to allow grantees to close the transactions.

II. Background

Land acquisition grants awarded by the Board are conditioned on general and project-specific due diligence requirements, which must be met by the grantees before funds are released for the land transactions. OAR 695-045-0185 states that funds encumbered for a specific project may be made available for other uses by OWEB if all conditions required by the Board are not satisfied within 18 months of the conditional Board approval. The intent of the rule is to keep due diligence progressing efficiently and avoid a backlog of projects. In the event that a grantee does not satisfy the conditions of a Board funding award, including closing the transaction within 18 months of the award, the Board may rescind the award or authorize continued encumbrance of all or part of the awarded funds in accordance with OAR 695-045-0200.

In accordance with the 18-month rule for closing, projects funded by the Board at its April 2014 meeting must close by October 29, 2015. Several transactions have not yet closed for reasons explained below. In these cases, the grantees are making good progress on meeting the requirements for closing, but need extra time to complete the requirements.

III. Projects Not Yet Closed

A. 215-9900 – Joyce Carnegie Trust

This Greenbelt Land Trust (Greenbelt) project entails reimbursement of costs incurred by Greenbelt in its prior purchase of the Carnegie property. Greenbelt completed due diligence for the Carnegie property, but ran out of time to close the transaction before management plans became due for prior Greenbelt acquisition projects. Land

acquisition guidelines specify that all obligations for past grants must be met before OWEB will release funds for a new transaction. Greenbelt is developing an approvable management plan for Bald Hill Farm, a previously funded land acquisition project. Greenbelt staff and OWEB's management plan reviewers are making progress toward an approvable management plan. The management plan might be completed before the 18-month deadline for closing the Carnegie transaction. However, upon completion of the management plan, Greenbelt may require time to refocus on final work needed on the Carnegie closing. A time extension by the Board would allow the necessary time for completion of the work on Carnegie.

B. 215-9903 – Southern Flow Corridor

This project entails the purchase of three properties by Tillamook County, to allow for a large-scale tidal wetland restoration project. The purchases are complex and entail significant due diligence ranging from developing a partnership with the Oregon Department of Environmental Quality to clean up the site of a former wood mill, to releasing mortgages and structuring land trades. The County is making steady progress toward closing the transactions, but in order to complete due diligence and an Environmental Impact Statement associated with the impending restoration project, the County will need more time for closing than the 18-month deadline.

C. 215-9904 – Hayden Island

This project entails the purchase of property by The Trust for Public Land (TPL) and subsequent conveyance of the property to the Oregon Department of Fish and Wildlife. The project is complex and entails TPL meeting requirements of four funding agencies and coming to final resolution on complicated due-diligence issues, including title and appraisal matters. TPL is making good progress toward closing, but is likely to need more time than the 18-month deadline.

IV. Recommendation

Staff recommend the Board extend deadlines for closing the projects described in this staff report, to December 31, 2015, for the Joyce Carnegie Trust project; May 31, 2016, for the Hayden Island project; and May 31, 2016, for the Southern Flow Corridor project.



Oregon

Kate Brown, Governor

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290
(503) 986-0178
FAX (503) 986-0199
www.oregon.gov/OWEB



MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Fetcho, Effectiveness Monitoring Coordinator
Renee Davis, Deputy Director

SUBJECT: **Agenda Item I: Deschutes SIP Summary Report
October 27-28, 2015 OWEB Board Meeting**

I. Introduction

Staff will present the Deschutes Special Investment Partnership (SIP) Summary Report to the Board and provide an opportunity for the Board, staff, and Deschutes SIP partners to engage in discussion about the report's results. Accomplishment Summary Reports for the Willamette and Klamath SIPs will be provided at the January and April, 2016, Board meetings, respectively.

II. Background about the Deschutes SIP

In 2008, the Deschutes SIP, a four-way implementer partnership to provide habitat and passage improvements for Chinook salmon and steelhead above the Pelton-Round Butte dam complex, was established. Since then staff and partners have provided the Board periodic reporting of the progress made towards meeting their stated objectives and desired outcomes. As OWEB transitions from the SIPs to Focused Investment Partnerships (FIPs), it is important for the Board to hear about accomplishments from this investment, learn about success stories, and reflect on the lessons learned over the period of the investment. This reporting process will contribute to the development of accomplishments reporting and effectiveness monitoring standards for FIPs.

III. Deschutes SIP Accomplishments Summary Report

Over the last year and a half, staff have been working with Deschutes Special Investment Partnership (Deschutes SIP) partners to describe for the Board the extent of progress made with its investments in the current SIPs and future Focused Investment Partnerships (FIPs) by gaining a better shared understanding of the existing goals, strategies, activities and accomplishments of the SIP. In January of 2015, staff received Board input about the information that would be most relevant to better understand the SIP investments and accomplishments to date. At subsequent meetings of the Board's Monitoring Subcommittee, staff and the subcommittee discussed how to also use this foundation as a framework for tracking and reporting progress of future FIPs.

Staff developed a template for the SIP Accomplishments Summary Reports that reflects feedback provided by the Board earlier this year. An extensive amount of information is compiled in this report, and includes the following sections:

- Partnership and Background Summary
- Map of Geographic Focus Area
- Implementation Accomplishments
- Summary of Contributions
- Local Economy and Community Outcomes
- Reflections from the Funder’s and Practitioner’s Perspective

A print-quality version of the accomplishments report is being finalized as of the writing of this staff report. At the October meeting, copies of the Deschutes SIP Accomplishments Summary Report will be provided to and discussed with the Board.

IV. Recommendation

This is an information item only.

Attachment

- A. Deschutes SIP Accomplishments Summary Report – To be provided at the October Board meeting



DESCHUTES
SPECIAL INVESTMENT PARTNERSHIP
**ACCOMPLISHMENTS
SUMMARY REPORT**



Deschutes River Conservancy



Crooked River Watershed Council



Upper Deschutes Watershed Council



Deschutes Land Trust



Partnership Summary

Deschutes SIP initiated January 2008

- Deschutes River Conservancy
- Crooked River Watershed Council
- Upper Deschutes Watershed Council
- Deschutes Land Trust

Goal:

To restore the physical and biological conditions necessary to support populations of wild salmon and steelhead in the reintroduction areas of the Upper Deschutes Basin.



Strategic Actions to Address limiting Factors

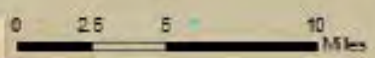
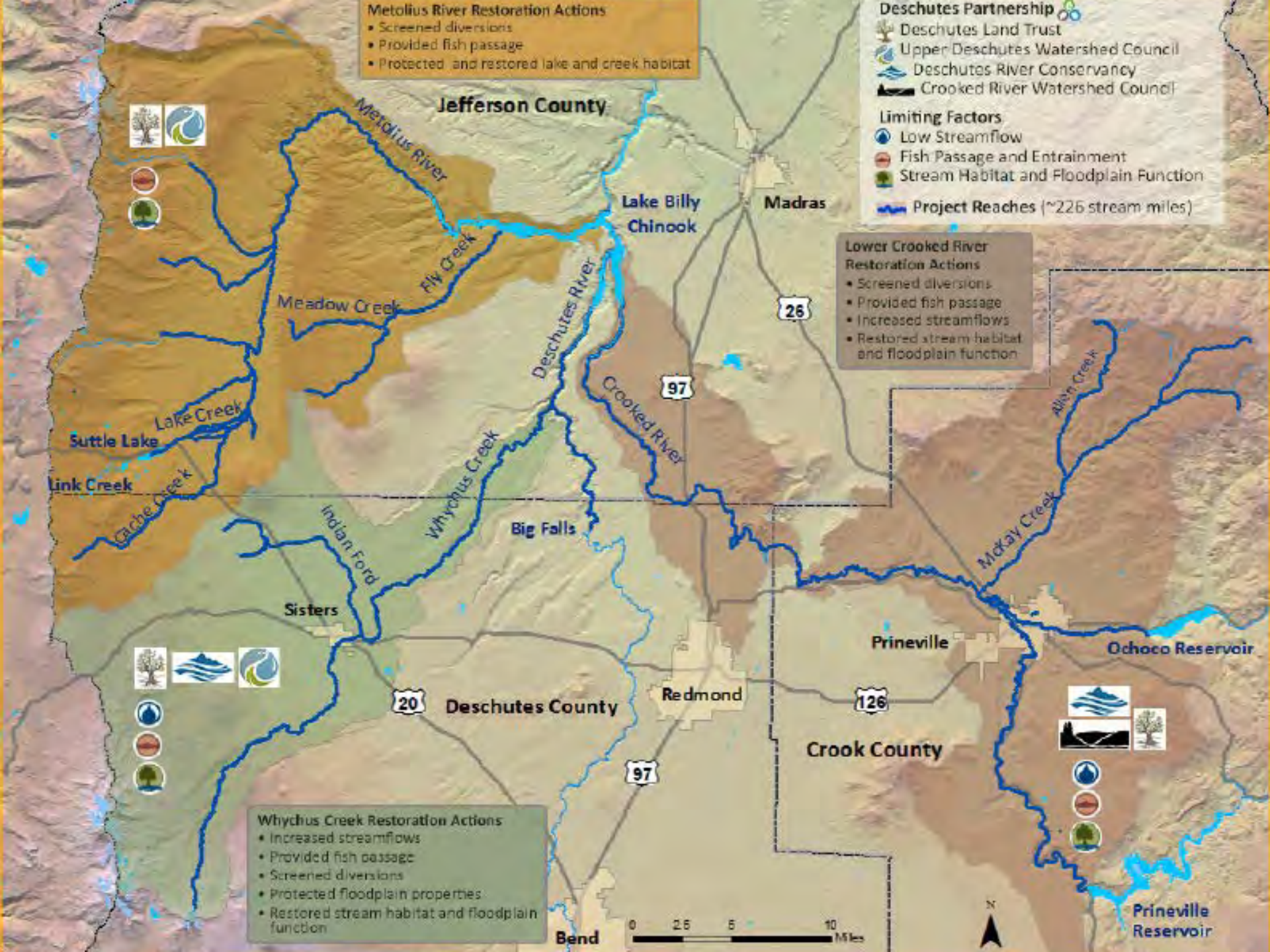
- Restore streamflow and water quality
- Improve fish migration and access to habitat
- Protect and restore stream and floodplain habitats

- Metolius River Restoration Actions**
- Screened diversions
 - Provided fish passage
 - Protected and restored lake and creek habitat

- Deschutes Partnership**
- Deschutes Land Trust
 - Upper Deschutes Watershed Council
 - Deschutes River Conservancy
 - Crooked River Watershed Council
- Limiting Factors**
- Low Streamflow
 - Fish Passage and Entrainment
 - Stream Habitat and Floodplain Function
- Project Reaches (~226 stream miles)

- Lower Crooked River Restoration Actions**
- Screened diversions
 - Provided fish passage
 - Increased streamflows
 - Restored stream habitat and floodplain function

- Whychus Creek Restoration Actions**
- Increased streamflows
 - Provided fish passage
 - Screened diversions
 - Protected floodplain properties
 - Restored stream habitat and floodplain function





Action Matrix Table

Deschutes SIP Action Matrix

Watershed	Streamflow/Water Quality Restoration	Stream Habitat Protection & Restoration	Fish Passage & Screening
Whychus Creek	☾☾☾	☾☾☾	☾☾☾
Metolius River		☾☾	☾☾☾
Lower Crooked River	☾☾	☾	☾☾☾

Legend

Level	Ecological Need	Funding Emphasis
Low		☾
Medium		☾☾
High		☾☾☾



Fish Passage and Screening

Limiting Factors

- Impassable and unscreened irrigation diversions

Actions Taken

- Improved passage at diversions and road crossings
- Removed diversion dams
- Screened or decommissioned pumps and diversions

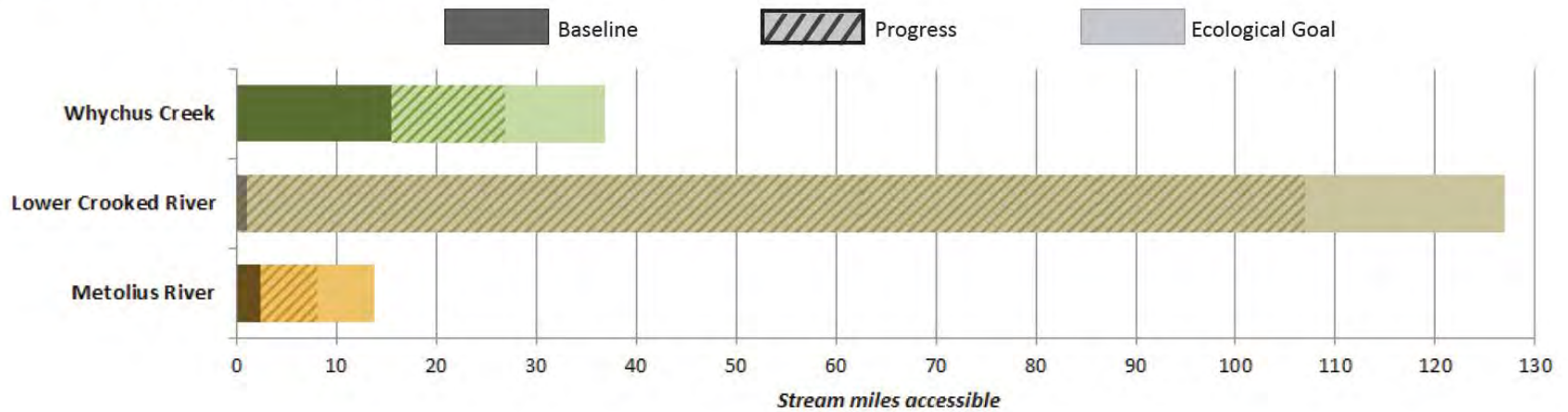
Desired Ecological Outcome

- Safe access to spawning and rearing habitats



Measuring Progress

Providing fish passage





HIGHLIGHT:
Suttle Lake
in the Metolius Watershed

The UDWC partnered with the Sisters Ranger District to retrofit a decades-old dam to improve juvenile and adult passage in one of only two lakes in Oregon that historically supported native sockeye runs. In addition, the DLT and USFS worked together to improve passage and habitat conditions downstream of the lake to allow sockeye salmon to reach vital lake habitats to complete its life cycle.





Stream Habitat Protection and Restoration

Limiting Factors

- Channelized streams and disconnected floodplains
- Floodplain habitat threatened by development

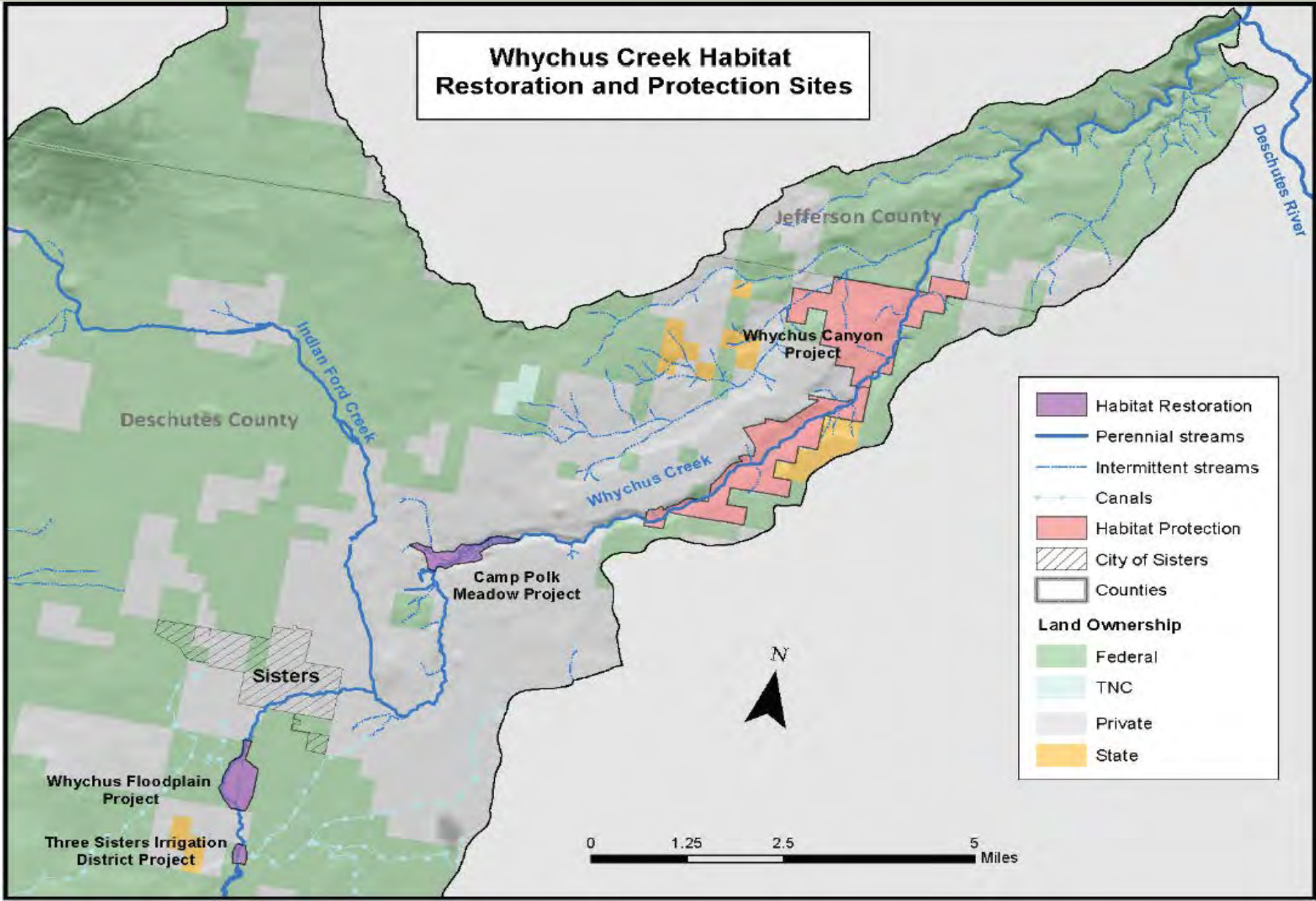
Actions Taken

- Developed conservation easements and purchased land
- Added LWD and reconnected floodplains and side channels
- Planted riparian trees and shrubs

Desired Ecological Outcome

- Intact stream corridors of high quality fish habitat

Highlight: Whychus Creek Watershed





Streamflow and Water Quality Restoration

Limiting Factors

- Elevated water temperatures
- Reduced fish spawning and rearing habitat availability
- Limited opportunities for riparian plant establishment

Actions Taken

- Acquired irrigation water rights from urbanizing lands
- Leased water rights
- Piped and lined leaking irrigation canals

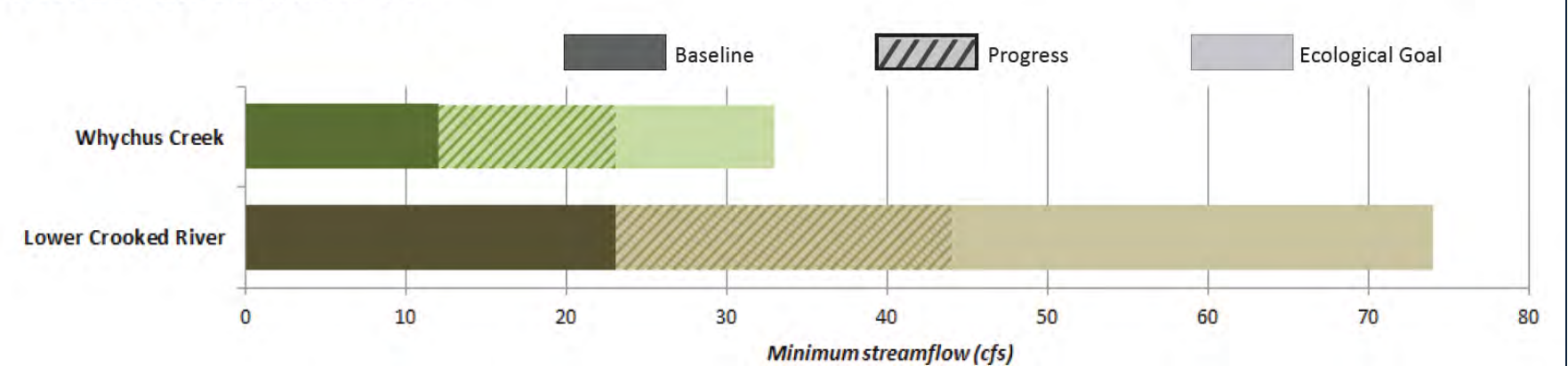
Desired Ecological Outcomes

- Improved water quality
- Healthy stream biota



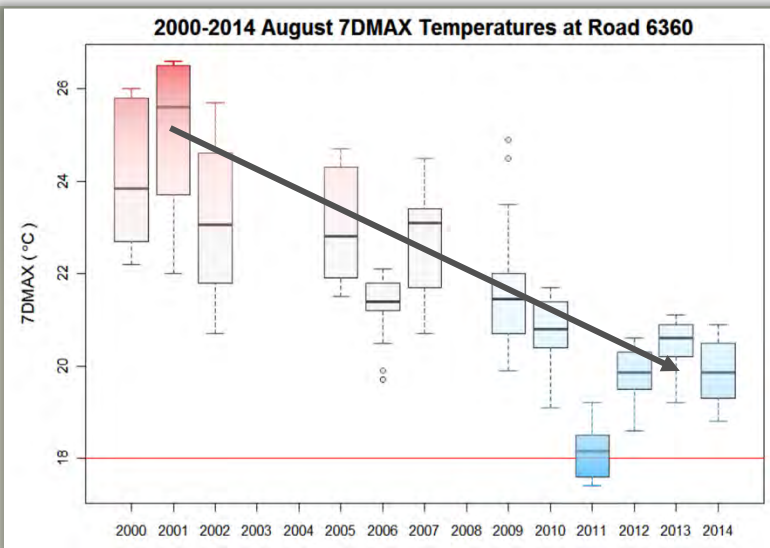
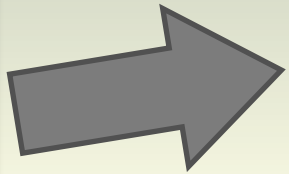
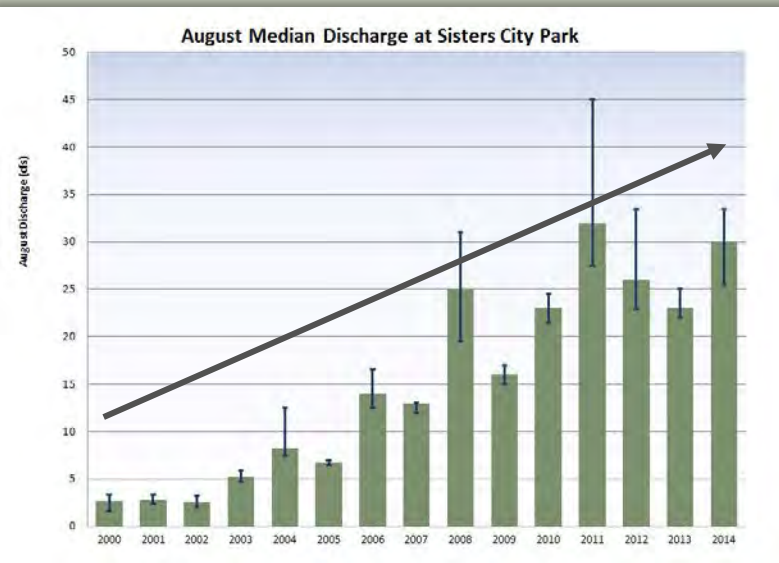
Measuring Progress

Increased Streamflow

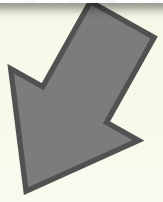


Highlight: Whychus Creek Watershed

Outcome: Reduced stream temperatures



Output: Increased Streamflow



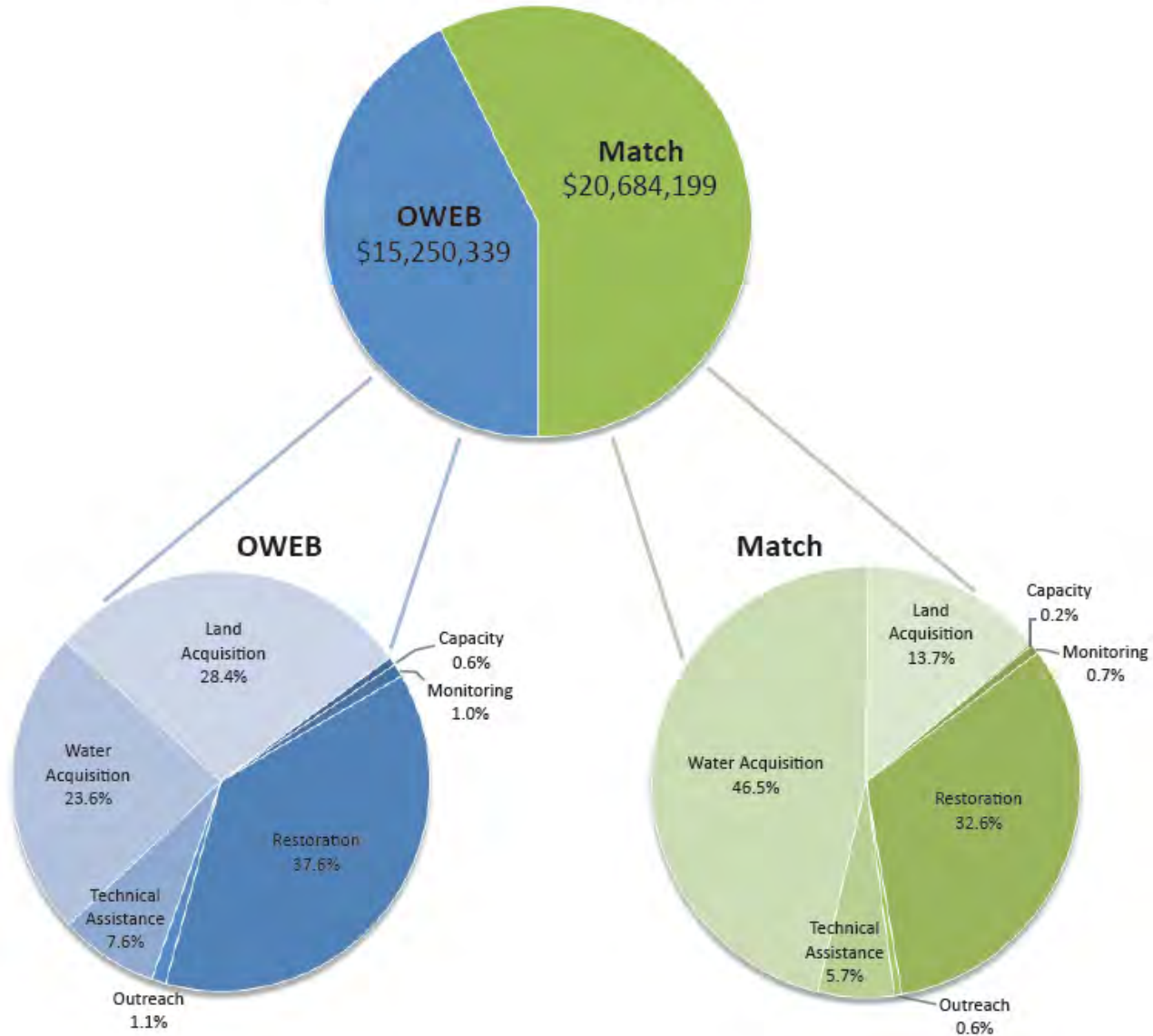
Outcome: Thriving cold water bugs!

Action: Streamflow Restoration



Summary of Contributions

**DSIP Funding
(Grants Awarded 2008 - Present)**





Community and Economic Outcomes

Examples:

- Expansion of Stewardship Program to Sisters Middle School
- Local contractors establishment of restoration crews



Funder's Reflections

DSIP lessons learned have been applied to the FIP process

Examples:

- Capacity building funding available
- Development of a Strategic Plan
- Establishment of clear and measurable targets
- Monitoring component of Plan and application



Practitioner's Reflections

- Partnerships
- Projects/Programs
- Funding and Administration





Looking Ahead



**October 27-28, 2015 OWEB Board Meeting
Agenda Item M: Executive Director Update**

1. Budget and Legislative Summary

Attachment A: List of relevant natural resource legislative committees

Attachment B: OWEB Key Performance Measures

2. OWEB Key Performance Measures (KPMs)

Attachment A: OWEB Key Performance Measures

Attachment B: Key Performance Measure Revision Timeline

Attachment C: Draft KPM and Other Performance Metric Categories

3. OWEB 2015-17 Spending Plan

Attachment A: OWEB Spending Plan

4. Long-Term Investment Strategy (LTIS) Update

Attachment A: OWEB Strategic Direction and Principles

5. Focused Investment Partnership Program

Attachment A: FIP: Definition, Criteria, and Solicitation Approach

Attachment B: FIP: Solicitation Process

Attachment C: List of applicants for Phase I Implementation funding and submitters of Capacity Building Letters of Intent

October 27-28, 2015 OWEB Board Meeting Executive Director Update #M-1: Budget and Legislative Summary

Introduction

This report provides the Board with an update to the 2015-2016 legislative interim and OWEB's Annual Performance Progress Report.

Legislative Update

Oregon Legislative interim committees are scheduled to meet three times before the opening of the 2016 session - September 28-30, November 16-18, and January 13-15. During Legislative Days, interim committees hold informational hearings on topics that may lead to legislation in future sessions and hear updates on the implementation of past legislation. Interim committees also hear reports from agencies and task forces, and keep current on subject areas of the committees. The Senate may convene during Legislative Days for the purpose of making executive appointments.

Attachment A contains a list of relevant natural resources committees, and includes chairs and members of each committee. During the September 28-30 Legislative Days, OWEB did not have any issues come before these committees.

The 2016 session is scheduled to begin February 1, 2016 and meet for approximately 35 days. Currently, there are no Legislative Concepts for the 2016 session relevant to OWEB. Staff will update the Board at the January meeting on any potential concepts with relevance to the agency.

Annual Performance Progress Report

Each year, agencies are required to submit Annual Performance Progress Reports (APPRs) to the Oregon Department of Administrative Services (DAS). In these reports, agencies describe annual accomplishments toward Key Performance Measures (KPMs) that have been adopted for the agency. Currently, OWEB reports on ten KPMs, which are included in Attachment B.

On September 24, 2015, OWEB submitted its APPR to DAS. For 2014-2015, results are as follows:

- Six of OWEB's KPMs—Agency Operations, Outside Funding, Plant Communities, Work Plans, Salmon Habitat Quantity and Customer Service—did not attain the targets;
- One of OWEB's KPMs—Restoration—falls into the “pending” category, given incomplete data for calculating this measure; and
- Three of OWEB's KPMs—Payments, Fish Populations and Fish Monitoring—achieved the targets.

As noted in the staff report for Agenda Item M-2 and discussed at the July 2015 OWEB Board meeting, the agency's KPMs were last updated during 2007-2008 and present multiple challenges during the performance reporting process. Many of OWEB's performance measures require data collected and maintained by other agencies which OWEB has little control; the current method of calculating funding required for agency operations does not reflect shifts that occurred following passage of Ballot Measure 76; some targets do not reflect current realities (e.g., reduced funding sources for restoration); and uncertainty about some source

data may result in skewed reporting. For these reasons, staff are working with the OWEB Executive Committee and Board to explore alternative KPMs and/or targets that more accurately and appropriately reflect the agency's performance and outcomes (see Agenda Item M-2).

Staff Contact

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180, or Eric Hartstein at eric.hartstein@state.or.us or 503-986-0029.

Attachments

- A. List of relevant natural resource legislative committees
- B. OWEB Key Performance Measures

Interim 2015-2016 Oregon Legislature
OWEB-Related Committee Assignments

Senate Environment and Natural Resources Committee

Member	District	Area (Basin)
Sen. Chris Edwards, Chair (D)	7	Eugene (Willamette)
Sen. Alan Olsen, Vice-Chair (R)	20	Canby (Willamette)
Sen. Michael Dembrow (D)	23	Portland (Willamette)
Sen. Floyd Prozanski (D)	4	South Lane and North Douglas Counties (Willamette/Umpqua)
Sen. Doug Whitsett (R)	28	Klamath Falls (Klamath)

Table 1

House Agriculture and Natural Resources Committee

Member	District	Area (Basin)
Rep. Brad Witt, Chair (D)	31	Clatskanie (Lower Columbia)
Rep. Wayne Krieger, Vice Chair (R)	1	Gold Beach (South Coast)
Rep. Susan McLain, Vice Chair (D)	29	Hillsboro (Willamette)
Rep. Greg Barreto (R)	58	Pendleton (Umatilla)
Rep. Sal Esquivel (R)	6	Medford (Rogue)
Rep. Lew Frederick (D)	43	Portland (Willamette)
Rep. Chris Gorsek (D)	49	Troutdale (Sandy)
Rep. Caddy McKeown (D)	9	Coos Bay (South Coast)
Rep. Gail Whitsett (R)	56	Klamath Falls (Klamath)

Table 2

House Energy and Environment Committee

Member	District	Area (Basin)
Rep. Jessica Vega Pederson, Chair (D)	47	Portland (Willamette)
Rep. Jeff Reardon, Vice Chair (D)	48	Happy Valley (Willamette)
Rep. Mark Johnson, Vice Chair (R)	52	Hood River (Hood River)
Rep. Cliff Bentz (R)	60	Ontario (Owyhee-Malheur)
Rep. Deborah Boone (D)	32	Cannon Beach (North Coast)
Rep. Dallas Heard (R)	2	Roseburg (Umpqua)
Rep. Ken Helm (D)	34	Washington County (Willamette)
Rep. Paul Holvey (D)	8	Eugene (Willamette)
Rep. Jim Weidner (R)	24	McMinnville (Willamette)

Table 3

House Rural Communities, Land Use and Water Committee

Member	District	Area (Basin)
Rep. Brian Clem, Chair (D)	21	Salem (Willamette)
Rep. Ken Helm, Vice Chair (D)	34	Washington County (Willamette)
Rep. Bill Post, Vice Chair (R)	25	Keizer (Willamette)
Rep. Mike McLane (R)	55	Powell Butte (Klamath/Rogue/Deschutes)
Rep. Vic Gilliam (R)	18	Silverton (Willamette)
Rep. David Gomberg (D)	10	Lincoln City (North Coast)
Rep. Brad Witt (D)	31	Clatskanie (Lower Columbia)

Table 4

Joint Ways and Means Natural Resources Subcommittee

Member	District	Area (Basin)
Sen. Richard Devlin, Co-Chair (D)	19	Tualatin (Willamette)
Rep. Kathleen Taylor, Co-Chair (D)	41	Milwaukie (Willamette)
Sen. Bill Hansell (R)	29	Pendleton (Umatilla)
Sen. Michael Dembrow (D)	23	Portland (Willamette)
Rep. Brian Clem (D)	21	Salem (Willamette)
Rep. David Gomberg (D)	10	Lincoln City (North Coast)
Rep. Jodi Hack (R)	19	Salem (Willamette)
Rep. Julie Parrish (R)	37	Tualatin (Willamette)

Table 5

2013-2014 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
1	OPERATIONS--The percentage of total funding used in agency operations.
2	OUTSIDE FUNDING--The percentage of funding from other sources resulting from OWEB's grant awards.
3	RESTORATION--The percentage of OWEB watershed restoration investments that address established basin and watershed restoration priorities.
4	PAYMENTS--The percentage of complete grant payment requests paid within 24 days.
5	FISH POPULATIONS--The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.
6	PLANT COMMUNITIES--The percentage of improved riparian stream miles of the total number of stream miles in Oregon.
7	WORK PLANS--The extent to which watershed councils funded by OWEB accomplish their work plans each biennium.
8	FISH MONITORING--The percentage of native fish, where monitoring needs have been quantified, that were monitored to a level considered adequate under the Oregon Plan Monitoring Strategy and ODFW's Native Fish Status Review.
9	SALMON HABITAT QUANTITY--The percentage of potential aquatic salmon habitat made available to salmon each year.
10	CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.

October 27-28, 2015 OWEB Board Meeting

Executive Director Update #M-2: Key Performance Measure Revision Process

Background

As part of the agency's Annual Performance Plan Report to the Oregon Legislature, OWEB reports on a number of Key Performance Measures, or KPMs (Attachment A). These metrics are part of an approach to measure performance and outcomes of state government.

Measures must:

- Gauge progress toward agency's goals and mission;
- Use standard terminology and definitions;
- Be few in number;
- Identify performance targets to be achieved during the two year budget cycle;
- Use accurate and reliable data sources;
- Measure customer satisfaction;
- Assign an organizational unit responsible for achieving the target; and
- Address comparable information, where possible.

During the budget deliberation process of each legislative session, the Legislature will approve, disapprove, or change/update each agency's proposed biennial performance measures.

Many of OWEB's KPMs and the targets associated with these metrics were developed over five years ago. While some may still be relevant, with the passage of Measure 76 in 2010, much of the way OWEB operates in relationship to its partner agencies has changed. As an example, OWEB used to be responsible for distributing all funding through Measure 66, including funds distributed for staff to other agencies. With Measure 76, this arrangement changed and OWEB is now the lead agency for the "Grant" fund, but is not responsible for Lottery distributions to other agencies. This change has dramatically impacted the agency's ability to meet a 6 percent administrative cost ratio target as outlined in KPM #1. In addition, many KPMs are dependent on the reporting of other state or federal agencies. While this is a good idea in concept in that it encourages cross-agency communication on outcomes, it can be a challenge in reality. For example, OWEB is reliant on federal agencies gathering information in their databases, and then extracting information from those databases for OWEB to use in KPM reporting. If agencies do not report information to their databases, replace older data with new data that is more accurate, or report differently than the format needed by OWEB for reporting on KPMs, it impacts OWEB's ability to report on measures, appropriately explain changes in data/trends, and/or achieve targets.

During the 2015 Legislative session, OWEB staff notified the Joint Ways and Means Natural Resources Subcommittee that the agency will propose updates to its KPMs for the 2017 Legislative Session. Attachment B is the timeline for developing updated KPMs.

Staff and the Executive Committee have begun developing a list of potential KPM updates which are found in Attachment C.

Staff Contact:

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180.

Attachments

- A. Current Key Performance Measures
- B. Key Performance Measures Revisions Timeline
- C. Key Performance Measure Draft Categories

2013-2014 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
1	OPERATIONS--The percentage of total funding used in agency operations.
2	OUTSIDE FUNDING--The percentage of funding from other sources resulting from OWEB's grant awards.
3	RESTORATION--The percentage of OWEB watershed restoration investments that address established basin and watershed restoration priorities.
4	PAYMENTS--The percentage of complete grant payment requests paid within 24 days.
5	FISH POPULATIONS--The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.
6	PLANT COMMUNITIES--The percentage of improved riparian stream miles of the total number of stream miles in Oregon.
7	WORK PLANS--The extent to which watershed councils funded by OWEB accomplish their work plans each biennium.
8	FISH MONITORING--The percentage of native fish, where monitoring needs have been quantified, that were monitored to a level considered adequate under the Oregon Plan Monitoring Strategy and ODFW's Native Fish Status Review.
9	SALMON HABITAT QUANTITY--The percentage of potential aquatic salmon habitat made available to salmon each year.
10	CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.

Key Performance Measure Revision Timeline

April 2015 Board	OWEB Board meeting -- Introduce KPM revision topic Director's Update
May 2015	Prepare materials for staff background and June all staff retreat
June 2015	Staff discussion at all-staff retreat providing ideas and feedback on KPM revisions/additions
June 2015	Legislature approves Agency budgets and KPMs for annual report
July 2015	Convene Executive Committee to begin discussing revisions to KPMs
July 2015 Board	OWEB Board meeting -- Discuss process, including having the Executive Committee as lead on KPM revision process
August 2015	Convene Executive Committee to advise on revisions to KPMs
Sept. 30, 2015	OWEB completes FY 2015 Annual Performance Program Report (APPR) with current KPMs
September	Convene Executive Committee for final review of draft KPMs
Oct. 2015 Board	OWEB Board meeting -- Discuss draft KPMs
December 2015	Executive Committee makes changes based on Board feedback
Jan. 2016 Board	OWEB Board meeting -- Board approval of final KPMs (with April 2016 Board meeting as back-up if needed)
April 30, 2016	OWEB submit revised KPMs and inform DAS/LFO
June 30, 2016	DAS/LFO Analysts provide feedback to agency on KPM revisions
September 15, 2016	OWEB completes FY 2006 APPR with current and new KPMs

Draft KPM and Other Performance Metric Categories

Agency Efficiency and Effectiveness

- **Existing:** Percent of total funding used for agency operations
 - *Note:* OWEB will research other foundations and relevant agencies in other states for comparison figure; OWEB will identify what is considered operations based on standard practice OWEB will propose revised target to reflect research
- **Existing:** The percentage of complete grant payment requests paid within 24 days.
 - *Note:* Recommend replacement to the percentage of payments made within XXX days of date invoice received (OWEB to identify current baseline and target for this KPM)
- **Proposed:** Percent of grants executed within one month after board award or director delegation.
 - *Note:* Recognize nuances of programs like acquisitions when determining specific items to measure
- **Proposed:** Number of submitted applications compared with number recommended for funding
 - *Note:* This may be an internal measure rather than a KPM; this is designed to encourage staff to help grantees improve application timeliness and quality
- **Proposed:** Percent of projects completed within established grant timelines without extension or reinstatement
 - *Note:* This may be an internal measure rather than a KPM
- **Proposed:** Number of applications, new and closing grants
 - *Note:* Per executive committee, a good idea to capture workload, but needs work

Board Effectiveness

- **Proposed:** Percent of total best practices met by the Board
 - *Note:* This is a metric used by other boards; will use their best practices as a base

Leverage

- **Existing:** The percentage of funding from other sources resulting from OWEB's grant awards
 - *Note:* Need to adjust target to more accurately reflect reality of match and OWEB's match requirements
- **Proposed:** Percent of funding the agency distributes from sources other than Lottery or Salmon Plate Revenues
 - *Note:* Need to ensure that what we reflect in this measure is within OWEB's control

Funding Demand

- **Proposed:** Number of applications recommended for funding compared with number funded
 - *Note:* Leads to conversations about demand/need for funding; may need context about size and range of funding requests

- **Other Metrics (not KPM):** Funding available for conservation per capita compared with surrounding states

Ecological Effectiveness of Restoration Projects as Implemented

- **Existing KPM:** The percentage of OWEB watershed restoration investments that address established basin and watershed restoration priorities.
 - *Note:* Recommend removing this KPM with no replacement
- **Existing KPM:** The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.
 - *Note:* Not under OWEB's direct control; use ODFW figures, and these are not a comprehensive look at monitoring or reporting
- **Existing KPM:** The percentage of improved riparian stream miles of the total number of stream miles in Oregon.
 - *Note:* Not fully under OWEB's control; dependent on voluntary and federal reporting. Not tied to OWEB funding; difficult to determine what to measure against
- **Existing KPM:** The percentage of native fish, where monitoring needs have been quantified, that were monitored to a level considered adequate under the Oregon Plan Monitoring Strategy and ODFW's Native Fish Status Review.
 - *Note:* Not under OWEB's direct control; use ODFW figures, and these are not a comprehensive look at monitoring or reporting
- **Existing KPM:** The percentage of potential aquatic salmon habitat made available to salmon each year.
 - *Note:* Not fully under OWEB's control; dependent on voluntary and federal reporting. Not tied to OWEB funding; difficult to determine what to measure against
- **Proposed:** Percent of restoration funding invested to address threatened, endangered or species of concern
 - *Note:* If added, need a better mechanism to capture projects aside from salmon, steelhead and sage grouse; online application system may provide that flexibility
- **Proposed:** Percent of OWEB-funded water quality projects that address concerns within 303(d) listed streams
- **Other Metrics (not KPM)**
 - Percent of projects where accomplishments meet or exceed proposed metrics
 - Reports/recommendations produced and distributed to grantees and relevant agencies as a result of OWEB Effectiveness Monitoring (example target: 2/year)

Local Organizational Capacity

- **Existing KPM:** The extent to which watershed councils funded by OWEB accomplish their work plans each biennium.
- **Proposed:** Percent of OWEB-funded watershed councils that demonstrate organizational effective governance and management using OWEB merit criteria

Community and Economic Impacts of Restoration Grants

- **Proposed:** Percent of Oregon communities that benefit from an agency-managed grant program.
 - *Note:* Need good definition of communities – this is an OPRD metric – can check their information; also need to define what ‘benefits’ would be tracked
- **Proposed:** Number of positions local supported by Operating Capacity Funding
 - *Note:* This is currently not captured, but could be. Recommend this is a part of the conversation with the legislature and not a KPM
- **Other Metrics (not KPM):** Percent of projects by land-use type (forest, urban, range, ag) compared to percent of land of that type in the state
 - *General Note:* missing KPM related to social – need to check with experts in this area

Customer Service

- **Existing KPM:** Percent of customers rating their satisfaction with the agency's customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.

October 27-28, 2015 OWEB Board Meeting Executive Director Update #M-3: OWEB Spending Plan

The latest OWEB spending plan as approved by the Board in July is provided in the ***front of the Board binders***. The spending plan shows Board awards made at the July meeting, as well as expected awards and revenues to be approved by the Board at the October meeting. As of the October Board meeting, if all items proposed are approved by the Board, the spending plan will be just over 40 percent awarded. This is typical at the beginning of the biennium, since many of the programs are delegated to the Director for distribution throughout the biennium (CREP Technical Assistance, Small Grants, direct awards to other agencies, etc.)

Adjustments can be made to the spending plan based on revenues received from M76, funds returned from completed grants (recapture), grants or other dollars received (NRCS funds, Coastal Wetlands Grants) and new revenues from OWEB's receipt of the competitive Pacific Coastal Salmon Recovery Fund annual grant.

Staff Contact

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180.

Attachment

- A. 2015-2017 Spending Plan

**OWEB 2015-17 Spending Plan
for the October 2015 Board Meeting**

OWEB SPENDING PLAN	Oct 15 additions to spending plan	Oct 2015 Spending Plan	July 2015 Board Awards	TOTAL Board Awards To-Date	Remaining Spending Plan for Oct 2015 awards	October 2015 Proposed Board Awards	Remaining Spending Plan as of October 2015
Open Solicitation:							
Restoration**		21.750		0.000	21.750	6.163	15.587
Technical Assistance							
Restoration TA		1.750		0.000	1.750	0.675	1.075
CREP TA	0.150	0.900	0.750	0.750	0.150	0.150	0.000
Monitoring grants**		1.900		0.000	1.900		1.900
Outreach**		0.600		0.000	0.600		0.600
Land and Water Acquisition**		6.500		0.000	6.500		6.500
Weed Grants		2.500	2.500	2.500	0.000		0.000
Small Grants		2.800	2.800	2.800	0.000		0.000
Programmatic Effectiveness Monitoring		0.500		0.000	0.500		0.500
TOTAL	0.150	39.200	6.050	6.050	33.150	6.988	26.162
% of assumed Total Budget		56.69%					

**if more funding becomes available, will go to these areas)

Focused Investments:							
Implementation FIPs		12.750		0.000	12.750		12.750
Capacity-Building FIPs		1.000		0.000	1.000		1.000
FI Effectiveness Monitoring		0.500		0.000	0.500	0.101	0.399
TOTAL		14.250	0.000	0.000	14.250	0.101	14.149
% of assumed Total Budget		20.61%					

Operating Capacity:							
Capacity grants (WC/SWCD)		12.500	12.500	12.500	0.000		0.000
Statewide organization partnership support		0.300	0.300	0.300	0.000		0.000
Building Capacity Grants		0.400	0.400	0.400	0.000		0.000
TOTAL	0.000	13.200	13.200	13.200	0.000	0.000	0.000
% of assumed Total Budget		19.09%					

Other:							
CREP		0.500	0.500	0.500	0.000		0.000
Oregon Plan/Governor Priorities		1.000		0.000	1.000		1.000
Strategic Implementation Area's	1.000	1.000		0.000	1.000	1.000	0.000
TOTAL	1.000	2.500	0.500	0.500	2.000	1.000	1.000
% of assumed Total Budget		3.62%					

TOTAL OWEB Spending Plan P	1.150	69.150	19.750	19.750	49.400	8.089	41.311
-----------------------------------	--------------	---------------	---------------	---------------	---------------	--------------	---------------

OTHER DISTRIBUTED FUNDS IN ADDITION TO SPENDING PLAN DISTRIBUTION							
Oregon Department of Fish and Wildlife - PCSRF		9.512	9.512	9.512	0.000		0.000
USFW-Coastal Wetlands		0.000		0.000	0.000		0.000
Forest Health Collaboratives from ODF		0.660	0.500	0.500	0.160		0.160
Rangeland Fire Protection Assoc from ODF		0.600	0.600	0.600	0.000		0.000
PSMFC-IMW		0.300	0.292	0.292	0.008		0.008
Lower Columbia Estuary Partnership		0.300	0.300	0.300	0.000		0.000
TOTAL	0.000	11.372	11.204	11.204	0.168	0.000	0.168

TOTAL Including OWEB Spending Plan and Other Distributed Funds	1.150	80.522	30.954	30.954	49.568	8.089	41.479
---	--------------	---------------	---------------	---------------	---------------	--------------	---------------

October 27-28, 2015 OWEB Board Meeting

Executive Director Update #M-4: Long-Term Investment Strategy Update

In 2013, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. This report updates the Board on two tasks associated with the LTIS: Online Grant Applications/Grant Agreement System and Continuous Improvement.

Background

As a result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. Since then, OWEB has been reviewing and updating its priorities, policies, programs and practices to position the agency as an effective and successful long-term funder of conservation in Oregon.

In June of 2013, the OWEB Board approved its Long-Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring. The LTIS is nested within the agency's mission and strategic plan goals, and touches on nearly all aspects of OWEB's responsibilities.

The LTIS implementation items listed below involve a considerable amount of work for OWEB staff above and beyond the typical workload. Staff's goal is to carry out these efforts without diminishing the quality of services our stakeholders regularly expect from the agency. Toward that end, OWEB is utilizing internal cross-sectional teams for many of these tasks to inform agency direction on policies and processes.

Status of Work Items

The following lists the status of two priority work items—Online Grant Applications/Grant Agreement System and Continuous Improvement—during the 2013-15 biennium:

Develop online grant applications and grant agreements. OWEB's target is to launch an online grant application/agreement web interface during the 2015-17 biennium. The goal is to improve effectiveness and efficiency of the agency's grant-making processes for applicants, grantees and OWEB staff. The system in development currently includes three application types: Restoration, Technical Assistance (TA) and Monitoring. All three were "streamlined" prior to developing the online applications to ensure these applications gather the key information necessary to review applications and support the grant-making process.

To date, the most extensive effort has focused on the restoration applications, given that these are the most complex application types offered by OWEB and they receive the bulk of OWEB's funding. Both internal and external testing of the first of two "alpha" versions of the online restoration application is complete, and the system is being refined based on testing feedback. Another round of internal and external testing is scheduled to begin in early November. Technical staff have completed the first "alpha" versions of online TA and monitoring applications. Testing of these versions of the applications has begun in late September, again using both internal and external testers.

Staff also have developed an early version of an automated grant agreement (GA) template, which will greatly reduce data entry and manual formatting by staff. Initial testing is complete and the automated GA template will be piloted in one OWEB region for the October 2015 awards and in one transition-funding cycle for a current SIP. Ultimately, the automated GA

process will be launched as part of OWEB's larger online grant application/grant agreement system.

Continuous Improvement. The OWEB Executive Team has adopted a Continuous Improvement (CI) approach to create adaptive, human-centered, and high performance service excellence.

Since initiating CI, Staff have introduced improvements to the Open Solicitation grant process that support achieving the following target: “People submit high quality applications to get money for measurable watershed improvements...OWEB consistently and rigorously reviews and evaluates each application/project.” Improvements include:

- Accepting e-mailed PDF applications in preparation for moving towards online applications;
- Developing an applicant training webinar on filling out OWEB applications;
- Working with Regional Review Team (RRT) members to identify relevant improvements to the application review process such as information needs, ranking approaches and maintaining diverse RRT member participation; and
- Developing pre-application process steps to provide applicant support and further refine the review process.

In order to more effectively identify and prioritize agency processes in need of improvements, OWEB will implement techniques for **Measuring Our Mission** that facilitate learning and improvement based on measured results. Measuring Our Mission has two distinct components. The first, **Measuring Mission Progress**, assesses how OWEB’s business processes are aligned in support of OWEB’s mission. This will begin with setting objectives and targets relevant to stakeholder, staff and Board needs and expectations, identifying metrics that will provide unbiased information and evaluating results regularly to identify successes and process improvement needs. Measuring Mission Progress will support an ongoing, methodical approach to improving process through evidence-based decision making, continuous organizational learning and focus on aligning community needs with agency process results.

Paired with this process is the agency’s approach to measuring the impacts of our investments – **Measuring Mission Impact**. This approach includes a variety of tools – effectiveness monitoring, accomplishments reporting, implementation monitoring and other approaches that measure accomplishments to determine the impact of OWEB’s investments. Together, **Measuring Mission Progress** and **Measuring Mission Impact** will provide a complete assessment of agency progress towards meeting legislative, stakeholder, staff and Board expectations in carrying out OWEB’s mission.

Staff Contact

If you have questions or need additional information, contact Renee Davis at renee.davis@state.or.us or 503-986-0203, or Liz Redon at liz.redon@state.or.us or 503-986-0028.

Attachment

A. OWEB Strategic Direction & Principles



OWEB Strategic Direction and Principles

OWEB **OWEB's Mission:** To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Goals

Goals from OWEB's 2010 Strategic Plan

In 2010, the OWEB Board approved a strategic plan with five goals. With the passage of Constitutional Measure 76 and permanent Lottery funding, the Board continues to operate under the strategy.

Goal 1: Adaptive Investment

Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

Goal 2: Local Infrastructure Development

Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Goal 3: Public Awareness and Involvement

Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Goal 4: Partnership Development

Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations, and private landowners for watershed and habitat restoration and conservation.

Goal 5: Efficient and Accountable Administration

Ensure efficient and accountable administration of all investments.

Long-Term Investment Strategy

OWEB's Framework for Grant Investments

In 2013, the Board adopted a Long-Term Investment Strategy that guides its investments of Lottery, federal and salmon plate funding. All of OWEB's investments in ecological outcomes also help build communities and support the local economy. The Board also approved a direction for the investments outlined below. They will continue operating capacity and open solicitation grants and continue focused investments with a gradual increase over time.

Operating Capacity

Operating Capacity Investments support the operating costs of effective watershed councils and soil and water conservation districts. Councils and districts are specifically identified in OWEB's statutes.

Open Solicitation

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

Focused Investments

OWEB helps landscape-scale collaborative partnerships achieve collaboratively prioritized ecological outcomes.

Effectiveness Monitoring

OWEB evaluates and reports on the progress and outcomes of watershed work it supports.



OWEB

Guiding Principles

Guiding Principles

As the Board developed the Investment Strategy, they did so under established principles for how any changes in OWEB's programs would operate.

Build on accomplishments. The commitment and work of our local partners have resulted in a nationally and internationally recognized approach with unmatched environmental accomplishments. OWEB will build on this foundation.

Effective communication. OWEB is committed to active, two-way communication of ideas, priorities, and results with its staff, partners, potential partners, and the public as a means for developing and maintaining a strong investment strategy and successful cooperative conservation.

Transparency. OWEB values transparency and develops its Long-Term Investment Strategy through an open, transparent process that involves input and dialogue with stakeholders and staff.

Maximize service, minimize disruption. The Board considers how OWEB's grant portfolio impacts partner organizations and staff resources to maximize effectiveness without adversely affecting service delivery.

Responsive. The Long-Term Investment Strategy will adjust to changes in revenue and be responsive to changes in ecological priorities from the Governor, Legislature, the Board, and local partners.

Adapt based on monitoring and evaluation. OWEB's staff and Board monitor and evaluate the effectiveness and implementation of the Long-Term Investment Strategy. The Board shall adapt and modify the strategy as needed to meet its desired goals and outcomes and to improve overall investment success.

Phase-in Change. OWEB's Long-Term Investment Strategy will guide future efforts, is designed to accommodate changes and adjustments made by stakeholders and OWEB staff, and will be periodically revisited.

Operating Principles

Operating Principles to Enhance OWEB Team Work

We will do all we can, individually and as a group, to:

- **Use Good communication--at all levels and in all directions;**
- **Operate with a Team approach;**
- **Follow through on conversations in order to build and maintain needed trust;**
- **Empower staff wherever it is appropriate to do so; and**
- **Have fun while doing important work!**

Background

In June of 2013, the Board approved its Long-Term Investment Strategy Framework with four major areas of investment: Operating Capacity; Open Solicitation; Focused Investments; and Effectiveness Monitoring.

In October of 2013, OWEB kicked off a nine-month process to develop the definition, criteria, and program design (including solicitation approach and process) for the Focused Investment category of OWEB funding. The process involved external stakeholder and internal staff work groups that provided input to the Board regarding the design and implementation of the program. Attachment A describes the definition, criteria and solicitation approach the Board adopted in July of 2014. Development of the Focused Investment Partnership program involved a two-stage process: 1) Priority-setting by the Board for Focused Investment Partnerships, and 2) Solicitation for Focused Investment Partnerships.

Focused Investment Partnership Priorities

In August of 2014, the Board initiated a nine-month priority-setting process that included input from stakeholders and review of potential priorities by expert team. At its April 2015 meeting, the Board adopted seven Focused Investment Partnership Priorities for the 2015-2017 biennium:

- 1) Sagebrush/Sage-steppe Habitat;
- 2) Oregon Closed Lakes Basin Wetlands Habitat;
- 3) Dry-Type Forest Habitat;
- 4) Oak Woodland and Prairie Habitat;
- 5) Coho Habitat and Populations along the Oregon Coast;
- 6) Aquatic Habitat for Native Fish Species; and
- 7) Coastal Estuaries in Oregon.

2015-2017 Solicitation for Focused Investment Partnerships

In April 2015, the Board approved an outline and slightly revised schedule of the solicitation process for Focused Investment Partnerships. Attachment B outlines the final Focused Investment Partnerships solicitation process for the 2015-2017 biennium.

OWEB opened solicitation for Focused Investment Partnership funding within the Board-identified Priorities on May 1, 2015. Funding is being offered in two tracks. Under Focused Investment Partnership Capacity-Building funding, partnerships may apply for technical assistance to strength the partnership and/or to develop or enhance a strategic action plan for the partnership/program. If the partnership is already established and has an existing strategic action plan, the partnership may apply for Focused Investment Partnership Implementation funding.

Implementation

For the Implementation track, 12 partnerships submitted Phase I applications by the July 1, 2015, deadline. No applications were submitted with either Oak Woodland and Prairie Habitat or Coastal Estuaries in Oregon as the primary priority. Subsequent to the July deadline, a review process was completed on the Phase I applications, which involved consideration of each submission by OWEB staff, expert review teams and the Focused Investment Board subcommittee relative to criteria regarding high-performing partnerships and strategic action planning.

On August 17, 2015, staff provided feedback to all Phase I applicants about the outcome of the review process, and a subset of the applicants were invited to submit Phase II applications based on the review of their Phase I application and the assessed quality of their proposed Focused Investment Partnership initiative. A GovDelivery notice also was sent to OWEB's e-mail listserv.

The following partnerships were invited to submit a Phase II application:

- Ashland Forest All-Lands Restoration Partnership
- The Deschutes Partnership
- Grande Ronde Restoration Partnership
- Harney Basin Wetlands Initiative Partners
- Upper Klamath Comprehensive Agreement Partnership
- McKenzie Collaborative
- Oregon All-Counties CCAA Steering Committee
- Sandy River Basin Partners
- Willamette Anchor Habitat Working Group

The following applicants were not invited to submit a Phase II application:

- Coos Watershed Association
- Upper North-Fork John Day Partnership
- Rogue Basin Partnership

Note that Phase I applicants not invited to submit Phase II applications can still elect to proceed to Phase II.

Phase II applications, which focus on six-year work plans and budgets, are due November 2, 2015. The review process for Phase II applications again will include review by OWEB staff, expert review teams and the Focused Investment Board subcommittee using previously established criteria. One difference between the Phase I and Phase II processes is that the Focused Investment subcommittee will convene as part of a public meeting, and will conduct interviews with Phase II applicants and complete deliberations toward a subcommittee recommendation to the full Board in this forum. The meeting is slated to occur during the first full week in January of 2016.

Capacity-Building

Letters of intent (LOI) for Capacity-Building funding also were due on July 1, 2015. Staff did not review the LOIs for substantive content, as the intent of the LOI is to provide an early indication

to staff and the Board about the volume of Capacity-Building applications expected to be received at the November deadline so that workload can be planned accordingly. There were 26 LOI submitted by the July deadline.

Capacity-Building full applications are due on November 2, 2015. A review process will be completed that involves consideration of each submission by OWEB staff, a statewide capacity review team and the Focused Investment Board subcommittee, relative to capacity-building criteria developed by the subcommittee and staff. During the previously referenced public meeting to be held in early January of 2016, the Board subcommittee will review evaluations of the Capacity-Building applications and make a recommendation for consideration by the full Board at its meeting on January 26-27, 2016, in McMinnville.

Attachment C includes information about submissions for both the Phase I Implementation applications and the Capacity-Building LOI.

Staff Contact

If you have questions or need additional information, please contact Renee Davis at renee.davis@state.or.us or 503-986-0203.

Attachments

- A. Focused Investment Partnerships: Definition, Criteria, and Solicitation Approach
- B. Focused Investment Partnerships: Solicitation Process
- C. List of applicants for Phase I Implementation funding and submitters of Capacity Building Letters of Intent

Focused Investment Partnerships

Definition, Criteria and Solicitation Approach

The OWEB Board will establish a process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state. Within those priorities, the Board will solicit for Focused Investment Partnerships, one of several forms of focused investments.

Focused Investment Partnership Definition

A Focused Investment Partnership is an OWEB investment that:

- Addresses a Board-identified Focused Investment Priority of significance to the state;
- Achieves clear and measurable *ecological outcomes*;
- Uses integrated, results-oriented *approaches* as identified through a *strategic action plan*;
- Is implemented by a high-performing *partnership*.

OWEB's Focused Investment Partnership investments will be made in two categories:

- 1) Focused Investment Partnership Implementation - For an investment with an existing strategic action plan that is ready for implementation, a Focused Investment will be made by OWEB for a defined dollar amount over a limited time. Partnerships may apply subsequently for a different Focused Investment Partnership program in the same or a different Board-identified Focused Investment Priority.
- 2) Focused Investment Partnership Capacity-Building - The Board will also provide two-year funding for partnerships who are prospective FIP applicants to strengthen their capacity and to strengthen strategic action plans for a Focused Investment priority.

Criteria Categories *The definition is further refined by criteria in the following categories that will be used by the OWEB Board to select investments.*

Focused Investment Partnerships will have both limited funding and duration. As such, groups selected for a Focused Investment Partnership will need to demonstrate that their Focused Investment Partnership programs meet a high standard of achievement. Board investments will be determined within the following criteria categories:

- 1) Significant, clear and measurable *ecological outcomes* that address a Board-Identified Focused Investment Priority.
- 2) The partners must have an existing *strategic action plan* that employs integrated, results-oriented *approaches*. The strategic action plan will:
 - a) Clearly define the measurable ecological outcomes as identified above, ensuring they are reasonable given resources and constraints.
 - b) Clearly articulate achievable goals, an identified geography and a realistic scale and time period for the program.
 - c) Identify the metrics, milestones and established benchmarks for success for the outcomes.
 - d) Utilize an adaptive management approach. This includes measuring and monitoring progress including monitoring procedures to evaluate the success of goals and objectives described in the strategic action plan.
 - e) The plan must also include communication strategies with funders and others regarding the plan's progress toward implementation.

The strategic action plan and any associated OWEB requests for funding must be realistic in terms of conservation impact, outcomes, partnerships and effectiveness monitoring.

- 3) The applicants must clearly demonstrate the *Partners* involved are necessary and sufficient to implement the program outlined in the strategic action plan. Partners must have formed a productive partnership that includes:
- a) Defined relationships that clearly describes the roles and responsibilities of each partner.
 - b) Demonstrated capacity to:
 1. Take on their identified roles and operate under a common vision;
 2. Implement conservation work at a scale larger than a single project;
 3. Realistically accomplish the identified ecological outcomes.
 - c) A clear link that shows the outcomes are within each organization's mission and scope
 - d) A demonstrated strong record of conservation achievement by the partners individually and collectively.

The partnership must also leverage OWEB funding with other resources. This may be achieved by recruiting funding partners, or by accessing other resources critical to implementation.

Solicitation Approach

OWEB is developing three processes for Focused Investment Prioritization, Partnership Capacity and Implementation solicitation. The priority selection process will be completed before solicitation for programs can begin. The program selections (2&3 below) will run simultaneously.

- 1) A Board process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state, drawing from proposals by groups, organizations, state and federal agencies, individuals, OWEB, the Governor's office, Oregon Tribes, and others. Proposed priorities should be based on sources such as the state's Conservation Strategy, the Oregon Plan for Salmon and Watersheds, Governor's priorities, the Agricultural Water Quality Program, the Integrated Water Resources Strategy, recovery plans, etc. The Board will review priorities each biennium to consider adding new priorities and ensure the existing priorities continue to be important.

Process for selecting each of the OWEB Focused Investment Partnership types:

- 2) Capacity-Building - A process for selecting among proposals for investments up to two years that support existing partnerships within Board-identified priorities to:
 - a) Enhance or strengthen a strategic action plan for a Focused Investment Priority; and/or
 - b) Strengthen the capacity of existing partnerships. Applications must:
 - Demonstrate a strong commitment of the partners to meet the Focused Investment criteria in the future, and
 - Clearly identify how this funding will help them achieve the steps to meet Focused Investment Partnership criteria.

NOTE: Receipt of Capacity funding does not guarantee Focused Investment Implementation funding from OWEB.

- 3) Implementation - A process for selecting applications for Focused Investment Partnerships funding as outlined in the criteria, in which applicants must:
 - Identify the Focused Investment Priority the proposal addresses
 - Provide a strategic action plan
 - Demonstrate partnership capacity

Focused Investment Partnerships: Solicitation Process

Updated April 2015

CAPACITY-BUILDING FUNDING	IMPLEMENTATION FUNDING
May 1-July 1, 2015	May 1-July 1, 2015
Letters of Intent submission period. Due date: July 1, 2015	Phase I application submission period <ul style="list-style-type: none"> • Required pre-application consultation with OWEB staff – Must be completed by May 20, 2015 • Required attachment – completed draft of strategic action plan Due date: July 1, 2015
July 1-August 17, 2015	July 1-August 17, 2015
Staff receives Letters of Intent. Upon receipt, staff will inform applicants of next steps in the process. This stage is not intended to be a pre-screening for applications and will not include any evaluative action.	Staff convenes technical teams designated for each priority area for review of Phase I applications. Subcommittee takes information from staff and technical teams, and invites select partners to submit Phase II applications materials, including work plan and budget. Other applicants not invited can submit if they choose, though it will be noted there is limited funding available.
July 28-29 Board Meeting	July 28-29 Board Meeting
Staff updates Board on the Letters of Intent received July 1.	Staff updates Board on Phase I applications received July 1, and provides an update on the status of the review process, including the May pre-application consultations with staff.
August 17-November 2, 2015	August 17-November 2, 2015
Capacity-Building full application submission period. Due date: November 2, 2015	Application Phase II submission period. Due date: November 2, 2015
November 2, 2015-January 8, 2016	November 2, 2015-January 8, 2016
RPRs review Capacity-Building applications and provide feedback to capacity review team and subcommittee for their consideration.	RPRs review applications and provide feedback to technical review teams and subcommittee for their consideration.
Staff convenes state capacity review team to make recommendations to subcommittee through staff.	Staff convenes technical review teams designated for each priority area to complete a technical review of applications in their area and provide feedback.
Subcommittee reviews feedback from RPRs and recommendations from the state capacity review team. Provides final recommendations for funding to Board based on available funds.	Subcommittee receives applications, technical teams and RPRs feedback, and asks any follow-up questions of RPRs and/or technical teams. Subcommittee interviews all applicants, negotiates budgets, and recommends Implementation grants for funding based on available funds.
January 2016 Board Meeting	January 2016 Board Meeting
Board reviews subcommittee recommendations and selects Capacity-Building programs for funding. There will be an opportunity for public comment at this time.	Board reviews subcommittee recommendations and selects Implementation programs for funding. There will be an opportunity for public comment at this time.

FOCUSED INVESTMENT PARTNERSHIP PROGRAM -- 2015-2017
Phase I Implementation Applications

Partnership Name	Priority(ies) Addressed	OWEB Region(s)*	\$ Requested	Project Duration
Ashland Forest All-lands Restoration Partnership	Dry Type, Native Fish, Oaks	2	\$ 12,000,000	5 yr, 6mo
Coos Watershed Association	Coho, Native Fish, Estuaries	2	\$ 6,150,000	5 yr, 4mo
Grande Ronde Restoration Partnership	Native Fish	5	\$ 6,922,500	5 years
Harney Basin Wetlands Initiative Partnership	Closed Lakes	5	\$ 5,500,000	6 years
McKenzie Collaborative	Native Fish	3	\$ 4,525,000	6 years
Oregon All Counties CCAA Steering Committee	Sage	4, 5, 6	\$ 5,900,000	5 years
Rogue Basin Partnership	Native Fish, Coho	2	\$ 4,200,000	6 yr, 7 mo
Sandy River Basin Partners	Native Fish	3	\$ 11,450,000	6 years
The Deschutes Partnership	Native Fish	4	\$ 12,000,000	5 yr, 5mo
Upper Klamath Comprehensive Agreement Partnership	Native Fish	4	\$ 6,000,000	6 years
Upper North Fork John Day Partnership	Native Fish, Dry Type	6	\$ 7,320,000	6 years
Willamette Anchor Habitat Working Group	Native Fish	3	\$ 9,390,000	6 years

* OWEB Regions: 1 - North Coast; 2 - Southwest; 3 - Willamette Valley; 4 - Central; 5 - Eastern; 6 - Mid-Columbia

FOCUSED INVESTMENT PARTNERSHIP PROGRAM -- 2015-2017
Capacity Building Letters of Intent

Partnership Name	Priority(ies) Addressed	Region(s)
Central Coast Coho Collaborative	Coho, Estuaries, Native Fish	1
Clackamas Partnership	Native Fish	3
Clatskanie Water Quality & Habitat	Native Fish	1
Family Forests & Farms	Coho	1
John Day Basin Partnership	Native Fish	6
Klamath Lake Forest Health Partnership	Dry Type	4
Klamath Siskiyou Oak Network	Oak	2
Klamath Watershed Health Team	?	4
Lake County Partnership	Closed Lakes	4
Lower Columbia Chum Recovery Partnership	Native Fish	1
Lower John Day Conservation Workgroup	Native Fish, Dry Type	6
Nehalem Coho Strategic Partnership	Coho	1
North Coast Collaborative (Ocean Acidification)	Estuaries, Native Fish	1 & 2
North Coast Collaborative (Riparian)	Coho, Native Fish, Estuaries	1
Northern Malheur Watershed Resource Partnership	Sagebrush	5
Oregon Central Coast Estuary Collaborative	Estuaries, Coho, Native Fish	1
Partners of the North Santiam Watershed	Native Fish	3
Siuslaw Coho Partnership	Coho, Native Fish, Estuaries	1
Umpqua Basin Partnership	Oak, Coho, Native Fish, Estuaries	2
Upper Crooked River Watershed Working Group	Dry Type	4
Wallowa Fish Habitat Restoration Partnership	Native Fish	5
Warner Basin Aquatic Habitat Partnership	Native Fish	4
Wasco County Oak Woodland Partnership	Oak	4
Wild Rivers Coast Estuaries	Estuaries, Coho	2
Willamette Oak Prairie Cooperative	Oak	3

* OWEB Regions: 1 - North Coast; 2 - Southwest; 3 - Willamette Valley; 4 - Central; 5 - Eastern; 6 - Mid-Columbia

**APPROVED BY THE BOARD January 26, 2016
Oregon Watershed Enhancement Board**

**October 27, 2015
OWEB Board Meeting
John Day, Oregon**

Minutes

OWEB Members Present

Ron Alvarado
Rosemary Furfey
Mike Haske
Debbie Hollen
Doug Krahmer
Randy Labbe
Will Neuhauser
Lisa Phipps
Eric Quaempts
John Roberts
Dan Thorndike
Bob Webber

OWEB Staff Present

Meta Loftsgaarden
Renee Davis
Courtney Shaff
Eric Hartstein
Juniper Davis
Eric Williams
Ken Fetcho
Cammi Hungate
Katie Duzik
Mark Grenbemer
Liz Redon
John Amoroso
Karen Leiendecker
Sue Greer

Others Present

Anna Rankin
Conrad Gowell
Amy Stiner
Herb Winters
Amy Charette
Ryan Gordon
Jerry Nicolescu
Kelley Beamer
Claire Klock
Bryan Vogt
Sandy McKay
Debra Bunch

A. Board Member Comments

Board Members provided comments from their respective areas and agencies.

B. Minutes

Minutes of the April 28-29, 2015, Board meeting in Salem, and the July 28-29, 2015, Board meeting in Prineville were presented for approval.

Eric Quaempts moved to approve the April 28-29, 2015, and July 28-29, 2015, Board meeting minutes. Seconded by Lisa Phipps. Motion passed unanimously.

C. Public Comment

- Anna Rankin, Pudding River Watershed Council, was seeking guidance and gave a report on her watershed council. She urged the Board to look at Oregon Live article Farmer vs. Farmer to see the controversy about a reservoir being created for agricultural watering. Currently, fish passage is not feasible, but she wants to know if a waiver is needed, and is seeking advice on fish passage, water quality and water quantity on the Pudding River. She would also like to see a study of the effects of pesticides on macroinvertebrates.
- Ryan Gordon, Network of Oregon Watershed Councils (NOWC), and Jerry Nicolescu, Oregon Association of Conservation Districts (OACD), gave a brief update on the NOWC-OACD Partnership. Jerry commented in support of Agenda Items C and D. This was a great CREP application cycle and will result in good projects on the ground. He also commented in support of Strategic Implementation Areas from ODA and urged Board approval. Jerry thanked the Board on behalf of the Districts

for sage-grouse efforts. Ryan commented that there are many partnerships evolving in the collective efforts of the Oregon Conservation Partnership. He appreciates the support of OWEB and NRCS to develop this partnership. He plans to provide updates on the partnership twice a year. He gave kudos to the volunteers putting the conference together. He highlighted the “Upriver” documentary film.

- Amy Stiner, Upper South Fork Watershed Council, Herb Winters, Wheeler SWCD, and Amy Charette, Confederated Tribes of Warm Springs, commented on the John Day Basin Partnership. Amy gave an update on the plight of the John Day River basin, describing that there are more fish in the system than the river has carrying capacity for. More restoration opportunities exist than there are funds available. They plan to apply for a Focused Investment Partnership Capacity Building grant and plan to create a strategic action plan in 2016.
- Amy Charette, Confederated Tribes of Warm Springs, commented on the John Day Strategy document and provided copies to the Board. The program is BPA funded and she described their process and the Tribes’ prioritization development.

D. Conservation Reserve Enhancement Program Technical Assistance (CREP TA) -- Approval to Receive Program Funding

Juniper Davis, Partnerships Coordinator, provided the Board an update on the CREP TA grant program. Staff request the Board consider awarding supplemental funding from the Natural Resources Conservation Service (NRCS) in support of CREP TA and delegating authority to the Executive Director for distribution of these funds.

John Roberts asked about landowner obligations and length of enrollments. Juniper Davis responded that agreements covered 10-15 year periods, and that agreements required landowners to reimburse CREP funds if terms are violated. Will Neuhauser asked if the Legislature needs to delegate funds to OWEB. Director Loftsgaarden explained that legislative approval is required to apply for grants. In this case, there is no grant application, so legislative approval is not required at this stage, but approval will be required to accept the funds. Lisa Phipps would like to put effort toward making this program more appealing to coastal landowners.

Eric Quaempts moved to approve receipt of \$150,000 in supplemental funding from NRCS and delegate authority to the Executive Director to enter into appropriate agreements with an award date of October 27, 2015. Seconded by Doug Krahmer. Motion passed unanimously.

E. Oregon Department of Agriculture (ODA) Strategic Implementation Areas Funding Request

Eric Hartstein, Senior Policy Coordinator, and John Byers, Agricultural Water Quality Program Manager for ODA, provided an update to the Board and described an OWEB grant program on Strategic Implementation Areas (SIAs). The Board considered a funding request for this grant program and to delegate authority to the Executive Director for distribution of these funds.

- Will Neuhauser asked if restoration included irrigation conversion and Eric Hartstein said that it had to directly improve water quality. He was concerned about the connection between open solicitation water quality projects and the SIAs, and wondered if it would make sense to transfer funds to the SIA pool for all water quality projects. Meta Loftsgaarden explained that the goal was to accelerate the

investment in this area and not decelerate it in other areas. She also explained the process for distribution of funds after the Board approves the funding.

- Lisa Phipps asked if ODA will move forward if there was not support from the SWCDs. John Byers explained that they are working with SWCDs and those efforts continue to gain support from SWCDs. The seven SIAs were chosen this time in close coordination with the SWCDs. There was concern from the Board about the addition of these funds to the budget. Meta Loftsgaarden clarified that these are additional dollars available based on the success of the agency in the PCSRF competitive granting process.
- Rosemary Furfey encouraged ODA to use recovery plans as additional resources.
- Randy Labbe asked for an electronic version of the presentation. Meta Loftsgaarden said they would be available online after the Board meeting and that a link would be provided.
- Will Neuhauser would like a discussion in the future on shifting money from focused investment funds to SIAs for agricultural water quality. Meta Loftsgaarden said that based on success of this program, OWEB can go back to the Legislature and ask for increased funding for these types of programs.
- Dan Thorndike moved to add \$1 million of PCSRF funding to the 2015-2017 spending plan. Seconded by Randy Labbe. Motion passed unanimously.
- Dan Thorndike moved to utilize \$1 million for Strategic Implementation Area grants in coordination with the Oregon Department of Agriculture and delegate authority to the Executive Director to enter into appropriate agreements with an award date of October 27, 2015. Seconded by Doug Krahmer. Motion passed unanimously.

F. Funding Request for the Upper Middle Fork John Day Intensively Monitored Watershed (IMW)

Ken Fetcho, Effectiveness Monitoring Coordinator, provided an update to the Board on the monitoring activities of the IMW. The Board considered a funding request for this program from the Programmatic Effectiveness Monitoring for Open Solicitation line item in the 2015-2017 Spending Plan and delegated authority to the Executive Director for distribution of these funds.

- John Roberts asked why three universities were being used, and whether the project would be more efficient using one university. Ken Fetcho stated that each university brings different areas of expertise to the project.
- Lisa Phipps asked why this is not a line item in the budget since it is a known long-term monitoring project. Meta Loftsgaarden explained that the funding is subject to annual federal appropriations and we do not know how much to expect each year. Meta also noted that a number of different programs might apply for programmatic monitoring, and since we do not know how much requests may be, a separate line item would be difficult to establish. It was noted that OWEB has always supplemented this Effectiveness Monitoring, and the Board motion would be increasing this amount.
- Eric Quaempts asked if there was a centralized data management system for these projects. Ken Fetcho confirmed that there is a password-controlled access database available.
- Eric Quaempts also asked if the students at the universities can obtain higher degrees with this project. Ken Fetcho explained that there are opportunities for the

students, but recommendations of the program and final reports are still being created.

- Dan Thorndike stated that this was the ninth year of a ten year project, and asked what happens next. Ken Fetcho responded that we will need justification for future funding requests, and that NOAA likes this project. The data already obtained provides a roadmap for future monitoring.
- Dan Thorndike stated that this dataset is very valuable historically.
- Eric Quaempts moved to award up to \$100,874 in support of the Intensively Monitored Watershed from the Programmatic Effectiveness Monitoring for Open Solicitation line item in the 2015-2017 spending plan and delegate authority to the Executive Director to enter into appropriate agreements with an award date of October 27, 2015. Seconded by Lisa Phipps. Motion passed unanimously.

G. Pending Regular Grant Applications

Introduction

Prior to hearing public comment, Courtney Shaff, Capacity Coordinator, provided background information on the April 2015 grant cycle.

- Lisa Phipps asked about the Salmon Plate projects and how the projects were chosen. Eric Hartstein and Courtney Shaff provided an overview of the selection process.
- Bob Webber asked about signage of Salmon Plate funded projects. Eric Hartstein stated that signage was discussed for public access, but it has to be included in the project budget.

Public Comment

Public comment on pending restoration and technical assistance grant applications to be considered for funding was heard by the Board.

- Conrad Gowell, Mid Coast Watersheds Council (North Coast Region), commented in support for North Creek fish passage TA 216-1010 (October 2015 cycle 216-1037). OWEB funds are needed to do a geotechnical survey. Five plus miles of salmon habitat are affected. There are many passage barrier issues at this site. This highly igneous site, with a small amount of sandstone, provides all the water quality and water quantity benefits of the igneous geology. This site may act as a climate shield which would protect the salmonid habitat. Downstream water quality issues could be a problem if this stream crossing should fail. There is a lot of public support. The Council received a \$100,000 grant from the US Forest Service (USFS) for construction, which must be used within two years.
 - John Roberts asked why the landowner did not contribute financially. Conrad Gowell stated that the landowner is the US Forest Service, who contributed \$100,000 toward the project.
 - Randy Labbe asked about USFS match and he had concern about the total project cost estimates.
 - Dan Thorndike asked about the necessity and urgency of this project. Conrad Gowell stated that the other grant funds received (not OWEB) have a 2-year expiration date.
 - Lisa Phipps said that the distinction of the landowner vs. the user of the road could have been made clearer in the application. She also had concerns that the

removal of downstream weirs should have been clearer in the application. Conrad Gowell stated that it was addressed in comments after the regional review team meeting, along with the letter of support.

Board Consideration of Pending Regular Grant Applications

The Board considered grant applications submitted by the April 20-21, 2015, application deadline for restoration and technical assistance grants. Proposals, supporting materials, and funding recommendations were discussed and acted on by the Board.

Region 1 – Attachment E

- Lisa Phipps said that the review team decided to fund #216-1010, but it fell below the funding line and was seeking clarification on why. Courtney Shaff stated that the review team felt this did have high ecological value, but they were uncertain how future restoration efforts would go forward. The review team did receive a letter from the lessee stating that they could not provide any monetary support for projects. Katie Duzik stated that some of the comments that Conrad Gowell brought forth would change how the project is reviewed. Courtney informed the Board that this project has been submitted in the October 2015 grant cycle.
- Dan Thorndike stated that seeing why the review team ranked the projects how they did was beneficial.
- Randy Labbe inquired about the resubmitted grant application #216-1010. Meta Loftsgaarden replied that the project has to be funded now or wait for the resubmitted application review.
- Will Neuhauser asked Katie Duzik if there were barrier prioritization assessments occurring in the North Coast. Katie invited Conrad Gowell back up to confirm that this is happening.
- Rosemary Furfey asked about the watershed priority. Katie Duzik deferred to Debbie Hollen to provide clarification on the USFS watershed priority process.
- Bob Webber stated that ODFW has fish passage as a priority, but understands that funding is limited and tough decisions have to be made.
- Lisa Phipps moved to approve funding for Project #216-1010 in Attachment E to the staff report. Seconded by Randy Labbe. Motion failed 4:4.
- Dan Thorndike moved to approve funding for Project #216-1008 in Attachment E to the staff report. Seconded by Randy Labbe. Lisa Phipps recused herself for a conflict of interest. Motion passed unanimously.
- Dan Thorndike moved to approve the remaining staff funding recommendations as shown in the gray-shaded sections of Attachment E to the staff report. Seconded by Randy Labbe. Motion passed unanimously.

Region 2 – Attachment F

- Lisa Phipps asked if #216-2012 could be broken into phases, and Mark Grenbemer stated that it could not be.
- Dan Thorndike wanted more discussion on why #216-2012 was a number one priority. Mark Grenbemer stated that this is a rare and unique project. It has all the elements of what a restoration project should look like. It is shovel ready once funding is approved.
- Bob Webber stated that project #216-2012 is the type of project with puzzle pieces that have to take place in order otherwise it won't work.

- Dan Thorndike moved to approve the staff funding recommendations as shown in the gray-shaded sections of Attachment F to the staff report. Seconded by Will Neuhauser. Motion passed unanimously.

Region 3 – Attachment G

- Lisa Phipps noted that she appreciates the new staff report format. Will Neuhauser agreed, particularly the maps. Eric Quaempts would like to see a statewide map of projects.

Dan Thorndike moved to approve the staff funding recommendations as shown in the gray-shaded sections of Attachment G to the staff report. Seconded by Doug Kraemer. Motion passed unanimously.

Region 4 – Attachment H

- Lisa Phipps noted that only two TA proposals were received in Region 4 and both were recommended for funding. She asked whether they were recommended because there were only two proposals, or because they were good proposals. Courtney stated that these were very well done TA applications and are similar to other successful TA grants completed by the same applicants in the past.

Dan Thorndike moved to approve the staff funding recommendations as shown in the gray-shaded sections of Attachment H to the staff report. Seconded by Bob Webber. Motion passed unanimously.

Region 5 – Attachment I

- Randy Labbe asked Karen Leindecker how she thought partnerships were in Harney. She is confident in these partnerships.
- Eric Quaempts asked Karen Leindecker if tribal culture food plants were being considered. She does not know, but is sure that the Burns-Paiute Tribe is working with partners on this.
- Will Neuhauser wanted more clarification about project #216-5001. Staff responded that the proposal creates five new pastures out of one to move cattle away from the stream, provides fencing, and will provide useful data on cattle grazing rotation and wildlife exclusion. There was discussion about funding projects on federal lands.
- John Roberts asked whether the applicant holds water rights. Karen Leindecker answered affirmatively.
- Lisa Phipps appreciates the LiDAR funding and would like to see this continue and complemented the program representatives on using LiDAR in their presentation.

Dan Thorndike moved to approve the staff funding recommendations as shown in the gray-shaded sections of Attachment I to the staff report. Seconded by Randy Labbe. Motion passed unanimously.

Region 6 – Attachment J

Dan Thorndike moved to approve the staff funding recommendations as shown in the gray-shaded sections of Attachment J to the staff report. Seconded by Lisa Phipps. Motion passed unanimously.

H. Public Comment

- Kelley Beamer from Coalition for Oregon Land Trusts (COLT) commented on Agenda Item J Land Acquisitions. COLT expresses support for the Land Acquisition program revisions. She said that there is a lot of moving pieces and the outside match (not from OWEB) might not necessarily align with OWEB's grant cycles and the transparency and flexibility is much appreciated.

I. Water Acquisitions Program Refinements

Renee Davis, Deputy Director, and Eric Hartstein, Senior Policy Coordinator, proposed refinements to the water acquisitions grant program to the Board based on lessons learned from the 2013-2015 test pilot.

- Dan Thorndike expressed concern that emerging programs would not be successful due to capacity issues, and asked what would keep them in the game. Renee Davis responded that we have not seen serious inquiries from emerging programs, and that the Board may want to tackle this issue by the end of this biennium. Dan then asked whether organizational capacity review is enough to invite all applicants. Renee responded that we may start with a few leases, particularly with the expanded eligible costs. Lisa Phipps said that there was merit in not fully aligning with National Fish and Wildlife Foundation (NFWF) because of its certification process and the uncertainty of benefits to applicants going through that process. She also wanted clarification on the process for emerging programs. Lisa wanted to know if an applicant that didn't have a track record behind them could still be offered the acquisition opportunity and if OWEB would help with structure. Renee clarified that there are baseline questions that will portray that applicants have some baseline capacity.
- Rosemary Furfey asked whether another bullet could be added about how to become an emerging program and how OWEB would work with them. Meta Loftsgaarden stated that OWEB will not provide start-up funds to create organizational capacity. Renee stated that OWEB's next steps would be to flush out what the emerging programs should look like and create sideboards and guidelines.
- John Roberts asked whether applicants could ask for funding from both NFWF and OWEB. Renee Davis responded that applicants could apply to both through separate applications.
- Eric Quaempts asked about the Water Resources timeline. Eric Hartstein said that OWEB is working with Water Resources through this biennium.
- Bob Webber questioned the use of the NFWF certification process and why an applicant could not meet their certification. Renee Davis explained that the applicants to date do meet NFWF criteria, but others that might apply do not have a proven track record and therefore, opportunities would be limited for them.
- Will Neuhauser asked if applicants could work with a proxy. Renee Davis responded that they could, but some organizations have limited service areas. There are places that are capacity limited.
- Dan Thorndike noted that Freshwater Trust is not geographically limited and has historically achieved results. He is comfortable with the recommendations.
- Dan Thorndike moved to approve the refinements to the Water Acquisitions Program guidance outlined in Section IV of the staff report. Seconded by Will Neuhauser. Motion passed unanimously.

J. Land Acquisitions – Process

Renee Davis, Deputy Director, requested Board approval to the land acquisition review process.

- From staff's understanding, OWEB would be the only granting agency that would allow for a check-in on grants midway through the process to see if more due diligence work had been completed. Debbie Hollen clarified that the Board is not committing to do the midpoint check, but that the Board is agreeing to look into it.
- Lisa Phipps asked that the pre-application process involve a few more people.
- Mike Haske wanted clarification on the public hearing process. Renee Davis clarified that currently, it is for just the applications that the Board subcommittee has selected, but staff propose it would be for all applications. Renee also noted that public hearings would happen closest to the acquisition. Meta Loftsgaarden noted that those both favorable and unfavorable toward acquisitions support the public hearing process.
- Will Neuhauser stated that he liked how the process revisions were approached.
- Kelley Beamer, representing the Coalition of Oregon Land Trusts commended OWEB on its adaptive management process and supported the proposed process revisions. She noted that land trusts initially flagged the need for a mid-point check-in.
- Renee Davis informed the Board that, in this grant cycle, there are three applications asking for just over \$3 million
- Eric Quaempts moved to approve the refinements to the Land Acquisition Program guidance outlined in Section IV of the staff report. Seconded by Lisa Phipps. Motion passed unanimously.

K. Land Acquisitions – Extensions

Eric Williams, Grant Program Manager requested deadline extensions for the Hayden Island, Southern Flow Corridor, and Joyce Carnegie Trust land acquisitions.

Dan Thorndike moved to extend the closing deadlines for the following land acquisition projects: Joyce Carnegie Trust (grant #215-9900) to January 31, 2016; Hayden Island (grant #215-9904) to May 31, 2016; and Southern Flow Corridor (grant #215-9903) to May 31, 2016. Seconded by Lisa Phipps. Motion passed unanimously.

**APPROVED BY THE BOARD January 26, 2016
Oregon Watershed Enhancement Board**

**October 28, 2015
OWEB Board Meeting
John Day, Oregon**

Minutes

OWEB Members Present

Ron Alvarado
Rosemary Furfey
Mike Haske
Debbie Hollen
Randy Labbe
Will Neuhauser
Lisa Phipps
Eric Quaempts
John Roberts
Dan Thorndike
Bob Webber

OWEB Staff Present

Meta Loftsgaarden
Renee Davis
Courtney Shaff
Eric Hartstein
Juniper Davis
Eric Williams
Ken Fetcho
Cammi Hungate
Katie Duzik
Liz Redon
John Amoroso
Karen Leiendecker
Sue Greer

Others Present

Gail Beverlin
Clair Klock
Chris Gannon
Brad Nye
Todd Heisler
Ryan Houston

H. Public Comment

- Gail Beverlin, North Fork John Day Watershed Council, thanked the Board for past support and provided an overview of their education program. They did a program last year on beavers and their role in the watersheds. They provide summer youth conservation crews, creating bike trails and installing fencing. They had 37 kids to create seven crews. Lisa Phipps asked if it was challenging to get into the school district because there is so little time for outdoor activities; Gail confirmed this challenge. Gail said that they were starting a program on the timber industry this year.
- Clair Klock, Klock Farm/Clackamas SWCD, commented on OWEB support on federal and state land and had a historical observation/comment. He was concerned about OWEB providing funds for USFS infrastructure. Historically, the streams were just battered and he wants to congratulate the conservation efforts that have taken place on the John Day River. He also gave kudos to the university collaborations.

L. Deschutes Special Investment Partnership (SIP) Summary Report

Renee Davis, Deputy Director, and Ken Fetcho, Effectiveness Monitoring Coordinator, presented the Deschutes Special Investment Partnership (SIP) Accomplishments Summary Report, which highlights accomplishments made since SIP investments in the partnership began in 2008. *After the initial presentation, project partners (Chris Gannon, Brad Nye, Todd Heisler and Ryan Houston) joined OWEB staff to answer questions.*

- Will Neuhauser appreciated the report and the level of detail. He noted that one of the key limiting factors is salmon moving into the opened up reaches. All this restoration allows a place for the fish to go. Ryan Houston said that they are looking

at a 50-year adaptive management program and they are only about two fish generations into the process. One thing the DSIP is doing is preparing the environment for fish.

- Randy Labbe is optimistic that the issues in dam management will be addressed in the future. He noted that the water quality in the Crooked River is a limiting factor and this needs to be addressed. The public needs to be more informed about the water quality and the water in the reservoir should be spotlighted. Todd Heisler stated that water quality does need to be addressed and raise public awareness of the problem because it affects the entire system. He urged the Board to realize that it was not just the money; it was the partnerships and entities working together and saying, "Yes." He appreciates that OWEB allowed for flexibility and letting them be very strategic in implementation.
- Dan Thorndike raised the issue of the continuation of projects like these. There should be a continuation of collaboration and support of all parties involved.
- John Roberts said that the Water Resources Commission views the SIP as a model and he wants to know how much compromise they were able to achieve with the irrigation districts. Todd Heisler said that each irrigation district is different and once those things are known, a proposal and agreement can be reached. The conversation has started around the policies that are in place and work is being done to update those.
- Eric Quaempts thinks the report is great. It would have been nice to have more information in the community section; he would like to ensure that authors and photo contributors are credited.
- Todd Heisler said that the reliability and predictability of funding allows for better negotiations to occur. It is not how much money is available; it is the predictability which is most helpful. It is not about the competition because there is a need for everyone to succeed. Brad Nye said that the momentum of the SIPs will hopefully continue into FIPs. A science-based outcome plan is a key fundamental element.
- Lisa Phipps applauds the group for setting a very solid and high bar for how FIPs should function. She stated that it is ok to talk about their "warts" and this could potentially help elevate their accomplishments. She asked hypothetically, if the funding were not secured, would they still remain a partnership. Todd Heisler said they are a partnership with or without funding. OWEB has been a major cost-share partner and they have been doing this long enough to have their roles established.
- Rosemary Furfey liked that on page 11, that she could see the progress toward project outputs and ecological outcomes. Ryan Houston said that they have started with macroinvertebrates and plan to start monitoring fish soon. To give perspective, the graph took about 14 years and \$70,000 a year. Investing in monitoring is critical, especially to establish a baseline from the very beginning. Brad Nye said that they are looking at the monitoring parameters and if they want to expand it and what they want to accomplish.
- Ron Alvarado complemented them on being a model partnership.
- Debbie Hollen complemented the bar graphs in the report. She asked if outcomes vs. outputs in the development of the SIP would be the same. Ryan Houston said that the outputs are easy to capture, it is the outcomes that are harder to capture and they would do the same thing.

M. Executive Director Update This occurred before Item L due to the arrival time of Deschutes SIP presenters.

Meta Loftsgaarden, Executive Director, updated the Board on agency business and late-breaking issues.

M-1. Legislative and Budget

- Mike Haske asked if working lands easements and the clean water partnership would be new initiatives coming out of existing funding. Meta Loftsgaarden discussed the lottery funding and that OWEB would need to seek additional funds for new initiatives.
- Lisa Phipps supports getting the Board involved in budget decisions because it involves the Board more and gives OWEB staff support as well. Goals of habitat restoration and clean water should be thought of outside the box and really focus on the details when it comes to implementing them. She is disappointed that the clean water fund didn't get funded because it could have been a game changer, especially on the coast.
- Randy Labbe had a question about the development of the budget, ODFW specifically. Bob Webber responded that the ODFW budget task force is currently being set up.

M-2. KPM Update Process

Meta Loftsgaarden, Executive Director, engaged the Board in a discussion about Key Performance Measures (KPMs) the agency should propose to the Legislature in the 2017 Legislative Session. The agency received approval by the Joint Ways and Means Natural Resources Subcommittee to propose changes in the next session. In July, the Board received general information and provided feedback about KPMs to consider. In October, staff presented more specific options for feedback and discussion.

Generally, Board members recommended directly aligning KPMs with OWEB's Strategic Plan.

Agency Effectiveness and Efficiency

Existing: Percent of total funding used for agency operations.

Will Neuhauser asked how we will find a way to carve those out. Meta Loftsgaarden explained that there are some other state examples to base a target on. We have to be really explicit how we arrived at that number.

Existing: The percentage of complete grant payment requests paid within 24 days.

Proposed: Percent of grants executed within one month after board award or director delegation.

Meta Loftsgaarden clarified that this would be getting the grant agreement to the applicant. Lisa Phipps gave kudos to OWEB for the turnaround time on awards.

Board members suggested the word 'agreements' be added to the statement.

Proposed: Number of submitted applications compared with number recommended for funding.

Board members suggested this as an item to track, but not at the level of a KPM.

Proposed: Percent of projects completed within established grant timelines without extension or reinstatement.

Board members agreed this should be internally measured and is somewhat outside of OWEB's control.

Proposed: Number of applications, new and closing grants.

Board Effectiveness

Proposed: Percent of total best practices met by the Board.

Meta Loftsgaarden noted this is a requirement in other agencies with Boards and that OWEB would look to those agencies for appropriate guidelines.

Leverage

Existing: The percentage of funding from other sources resulting from OWEB's grant awards.

Lisa Phipps raised the idea of setting a target percentage of OWEB funds, but this is something that is out of our control. Renee Davis provided historical information on the 150 percent target. Mike Haske said that even if we hit 100 percent, we should still report on the 25 percent match the agency requires. Board members also recommended that the report should address leverage in addition to match.

Proposed: Percent of funding the agency distributes from sources other than Lottery or Salmon Plate Revenues.

Will Neuhauser is concerned that if the Legislature does not make the dollars available, then OWEB would not have control over the distribution. Meta Loftsgaarden noted that OWEB does have some element of control, but there is always the risk that the agency would not reach the targets.

Funding Demand

Proposed: Number of applications recommended for funding compared with number funded.

Board members recommended adding both number and dollar amount.

Other Metrics (not KPM): Funding available for conservation per capita compared with surrounding states.

Ecological Effectiveness of Restoration Projects as Implemented

Generally, Board members recommended using Ecological Outputs for the title, rather than Ecological Effectiveness.

Existing KPM: The percentage of OWEB watershed restoration investments that address established basin and watershed restoration priorities.

Existing KPM: The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.

Existing KPM: The percentage of improved riparian stream miles of the total number of stream miles in Oregon.

Existing KPM: The percentage of native fish, where monitoring needs have been quantified, that were monitored to a level considered adequate under the Oregon Plan Monitoring Strategy and ODFW’s Native Fish Status Review.

Randy Labbe noted that this is out of the agency’s control and would like a conversation in the future around developing this.

Existing KPM: The percentage of potential aquatic salmon habitat made available to salmon each year.

Proposed: Percent of restoration funding invested to address threatened, endangered or species of concern.

Board members generally agreed that, if added there needs to be a better mechanism in place to capture projects other than sage-grouse, salmon and steelhead. They noted that it is difficult to tease the pieces out, especially because some projects are focused on improving ecosystem structure, process and/or function. For barrier removal, do you count it now, or later? Renee Davis stated that getting a better handle on those nuances, and validating applicants’ claims and estimates, is an important role with the review team process.

Proposed: Percent of OWEB-funded water quality projects that address concerns within 303(d) listed streams.

Board members suggested that the percent of funding to address threatened, endangered or species of concern be combined with the percent funded for water quality, as it would be difficult to set a separate target for each type.

Other Metrics (not KPMs)

Percent of projects where accomplishments meet or exceed proposed metrics

Reports/recommendations produced and distributed to grantees and relevant agencies as a result of OWEB Effectiveness Monitoring (example target: 2/year)

- (General Comments on this category) Lisa Phipps questioned why the fish numbers were proposed to be removed as a KPM and it was clarified that OWEB does not have control over it.
- Randy Labbe suggested that we develop metrics such as water temperature, flow, reaches opened up, and that other organizations working on quantification tools could help with this. Meta Loftsgaarden said that the FIP program is heading in this direction with metrics for specific FIP programs, but that it would be difficult to develop agency-wide.
- Dan Thorndike agrees with the proposed KPM because the Legislature is the primary “customer” for this information and these are topics in which they are interested.
- Will Neuhauser asked how the percentages would be set and Meta Loftsgaarden explained that it is based on where we are now and the trajectory of where we want to be.
- Rosemary Furfey noted that OWEB could have a KPM focused on what we are working toward, rather than only reflecting the way it is now. She also asked about metrics that NOAA uses to gage OWEB’s “success” related to PCSRF funds, and if these could be useful as part of this discussion.

Local Organizational Capacity

Existing KPM: The extent to which watershed councils funded by OWEB accomplish their work plans each biennium.

Proposed: Percent of OWEB-funded watershed councils that demonstrate organizational effective governance and management using OWEB merit criteria.

Will Neuhauser asked if the measures are pass/fail. Courtney Shaff related that their funding would be reduced based on their eligibility criteria.

Community and Economic Impacts of Restoration Grants

Proposed: Percent of Oregon communities that benefit from an agency-managed grant program.

Proposed: Number of positions local supported by Operating Capacity Funding.

Other Metrics (not KPM): Percent of projects by land-use type (forest, urban, range, ag) compared to percent of land of that type in the state.

Customer Service

Existing KPM: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service; timeliness, accuracy; helpfulness; expertise; and availability of information.

Lisa Phipps said that the outreach by the Board to the customer (e.g., listening sessions) should be taken into account and captured. Renee Davis stated that we do not have a way to capture, but there is the ability to tell that part of the story in the narrative when reporting on KPMs.

1) Spending Plan

2) LTIS (Measuring Our Mission/ Online Grants)

Lisa Phipps said that with the online application process, there is no signature requirement, so there is no accountability and could turn into a key flaw. Online applications are hard for project partners to review and edit. Renee Davis gave some insight on the online process and functionality, including e-signature.

3) FIP

Lisa Phipps noted that the Central Coast Estuary Collaborative proposal was incorrectly labeled "Central Coast Coho Collaborative."

Having no further business, the meeting was adjourned.